



MASSACHUSETTS
**Department of
Early Education and Care**

**Financial Assistance Procedures Manual
for Subsidy Administrators**

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Commissioner



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CHAPTER 1

Definitions *(Updated as of June 2021)*

1.1 Forms *(Updated as of June 2021)*

Below is a chart listing EEC forms and a description of each form’s purpose. We have noted which forms are required at each Authorization and Reauthorization, but Subsidy Administrators must refer to Chapters 4, 5, 6, 7, 8, and 9 for which forms are required for each specific program.

Form	Purpose for this form	Required at Authorization/ Reauthorization
Application and Fee Agreement	Form generated in the Child Care Financial Assistance application (CCFA) that details all household members and income that was used for the Parent(s)’ Authorization.	X
Approved Break in Care Form	Form may be used by the Parent to request, or opt out of, an Approved Break in Care under Policy Guide Chapter 10.6.	
EEC Caregiver Affidavit	Form that can be used for an informal transfer of custody from a biological Parent to another adult that is not the other biological Parent.	
Employer Certification Of Last Day Of Employment	Form that can be used to certify a last day of employment if an employer is unable to provide a letter.	
Employment Verification Form	Form for a Parent that has new employment and is unable to provide sufficient paystubs. Form may also be used at initial Authorization when a Parent is working part-time, but will increase to full-time if they have child care.	
Excessive Unexplained Absence Warning Notice	Form to notify Parents when a Child has had one occurrence of Excessive Unexplained Absences (more than 3 consecutive days).	
Financial Assistance Agreement	Form that informs Parents of their rights and responsibilities and to allow a release of information from employers or education/training programs to Subsidy Administrators or EEC. This Agreement serves as the Attendance Notification Agreement for Unexplained Absences.	X
Homeless Approval Form	Form signed by the Child’s school district or by the CCRR to certify that the Family meets the criteria to be considered homeless under Subtitle VII-B of the McKinney-Vento Homeless Assistance Act.	

Form	Purpose for this form	Required at Authorization/ Reauthorization
Homeless Residency Survey	Survey completed by a Family seeking to be certified as homeless under Subtitle VII-B of the McKinney-Vento Homeless Assistance Act.	
Household Composition Form	Form for a Parent to confirm all household members at each Authorization and Reauthorization, or at the reporting of Non-Temporary Changes.	X
Household Income Statement	Form for a Parent to confirm all household income at each Authorization and Reauthorization, or at the reporting of Non-Temporary Changes.	X
Notice of Denial	Form that must be used to issue a Parent a denial of subsidized child care.	
Notice of Termination	Form that must be used to issue a Parent a termination of subsidized child care.	
Parent Certification of Last Day of Employment	Form for a Parent to certify a last day of employment when Parent is unable to obtain a letter from their employer.	
Parent Choice Form	Document to Parents of their rights when they change from an Income Eligible voucher to an Income Eligible contract.	
Parent Contact Information Form	Form for a Parent to confirm and update contact information and for the Parent to confirm notification preferences.	
Parent Fee Warning Form	Form issued to a Parent who has one week overdue on the assigned Parent fee to warn the Parent of potential termination.	
Request for Review	Form that must be provided to a Parent with every Notice of Denial and Notice of Termination to allow a Parent to file an appeal with EEC.	
Reauthorization Letter	Notice sent to a Parent by a Subsidy Administrator to notify of the need to reauthorize the subsidized child care.	
Self-Employment Earnings Form	Form used to document self-employment income and expenses for the last 3 months.	
Self-Employment Packet Cover Letter	Document to inform a Parent about the policies for self-employment income and the information the Parent will need to provide to determine eligibility.	

Form	Purpose for this form	Required at Authorization/ Reauthorization
SMI Calculation Worksheet	Form used to inform the Parent about the 85% SMI limit for the household size and to instruct the Parent on how to calculate the impact of any income increases.	
Special Need of Parent Initial Cover Letter	Cover letter for a Parent at initial Authorization to explain the process to apply for a service need of Incapacity of Parent, including deadlines for submitting documents to EEC.	
Special Need of Parent Renewal Cover Letter	Cover letter for a Parent seeking to reauthorize with a service need of Incapacity of Parent to explain the process to apply for approval, including deadlines for submitting documents to EEC.	
Temporary Change Form	Form used by a Parent who is reporting a Temporary Change.	
Third Party Verification Form	Form that allows a third party to verify household members to be used when a Parent cannot provide documentation to document that an individual does not reside in the home. Form is not intended to replace a Parent attempting to provide one of the accepted options listed in Policy Guide Chapter 3.3(E) and should be used as a last resort. Form must be sent to EEC and approved prior to its acceptance.	
Transportation Request Form	Form used for a Parent to request transportation services.	
Verification of Disability – Special Need of Child	Form used by a Parent to certify a Special Need of a Child to allow the Child to remain in care up to age 16 and/or to allow the Parent to qualify under the Special Need of Child income and service need exceptions.	
Verification of Disability – Special Need of Parent	Form used by a Parent who wishes to use a service need of Incapacity of Parent. All forms must be submitted to, and approved by, EEC.	
Verification of Disability – Special Need of Parent 2 year extension	Form used by a Parent who wishes to use a service need of Incapacity of Parent for more than 2 years. All forms must be submitted to, and approved by, EEC.	

1.2 Foundational Documentation

Foundational Documentation are basic documents that, in most circumstances, do not change and only need to be collected once (see details below for each type of document). If a Family with an active Authorization moves from one Subsidy Administrator to another, the first Subsidy Administrator must transfer all foundational documentation to the new Subsidy Administrator to limit duplication by the Parent(s). Parent(s) who are returning to care after a break in Authorizations may have to present foundational documentation again, unless the Subsidy Administrator already has the items on file. Subsidy Administrators shall refer to the specific program requirements for which foundational documents must be on file for that Parent(s) Authorization – not all programs (such as DCF-Related) require the following documents be collected.

- A. Picture ID
 - a. Requirements: Does not need to be collected again, even if the original has expired
- B. Birth certificates or birth records
 - a. Requirements: Does not need to be collected again
- C. Custody documentation
 - a. Requirements: Only needs to be collected if the original has expired.
Examples of ones that have to be collected again: Temporary custody through the court that has to be renewed; Caregiver Affidavits
- D. Social Security Cards
 - a. Requirements: Does not need to be collected again
- E. Proof of U.S. Citizenship for Child(ren)
 - a. Requirements: Does not need to be collected again.
- F. Proof of Immigration Status for Child(ren)
 - a. Requirements: May need to be collected if original is expired.

CHAPTER 2

Waitlist Policies *(Updated as of Sept. 2021)*

2.1 General Waitlist Guidance *(Updated as of September 2021)*

2.1.1 Waitlist Tips *(Updated as of June 2021)*

The following are key tips to navigating EEC's centralized waitlist on KinderWait.

- A. **Application:** A Family's waitlist record is called an application. To locate a specific Family or Child, Select Application from the Agent Utility menu on the left. Search by one of the following but do not enter multiple items at the same time:
 - 1. Household ID (The most direct way to locate a Family. The Household ID is printed on all correspondence and never changes);
 - 2. Parent Last Name or First Name (use partial names for names that are commonly misspelled);
 - 3. Child Last Name or First Name (use partial names for names that are commonly misspelled); or
 - 4. Phone Number (entered as format "(XXX) XXX-XXXX" with the parenthesis, space, and dash included in the entry).
 - 5. [It is always important to check multiple ways to see if a family has an existing waitlist record.](#)
 - a. [Try searching for a partial name to catch misspellings.](#)
 - b. [Do not enter too many criteria at once.](#)
 - c. [If searching by phone number, enter as format \(XXX\) XXX-XXXX with the parenthesis, space, and dash included in the entry.](#)
- B. **Application Sections:** The following are the different sections of a Family's Application that can be viewed in the Application Summary screen. If a section is not expanded in the Application Summary screen, the Subsidy Administrator can expand the section by clicking on the red bar for each section. Key tips for commonly missed information are below:
 - 1. Household: Includes the Household ID, key dates (including the Application date) for the Family, and the Family's address.
 - a. This Screen includes the Last modified Date that determines when a Family must renew their waitlist application.
 - b. Each time a Parent contacts an EEC waitlist agent, the address, phone number and Family members should be verified.
 - c. Always open the Household section and choose Update Last Modified Date, even when the Parent confirms that nothing changed. Updating this date is key to eliminate excessive notices/letters that Families eventually ignore.
 - d. KinderWait will verify physical and mailing addresses against the US Postal Service but changes must be accepted by the Subsidy Administrator.

2. Parent: Key information about the Parent, including phone numbers.
 - a. The Language entered may allow letters for the Parent to print in the Parent’s native language. Currently, letters in Spanish, Haitian Creole, Portuguese, and Simplified Chinese will print automatically for Parents listed as speaking those languages, even if it is checked off that the Parent speaks English. Additional languages may be made available in the future, so it is critical to make sure to choose the correct language.
 - b. Email addresses are key information for EEC to be able to move to electronic communications with Parents.
 - c. KinderWait needs a Parent’s Monthly Income and Employment and Training to assess eligibility. While Parents are only required to verbally confirm this information, it is key to knowing if a Parent is over income for the waitlist. If this information is not added to the Parent section, the Eligibility on the Application Summary screen will only show as No Program or possibly Early/Head Start.
3. Child:
 - a. Child Information must be filled out completely and accurately. This information imports into CCFA so it is a time saver to ensure that it is accurate the first time.
 - b. If an unborn Child is being added to the waitlist, the projected birth date and name may be entered but those must be updated once the Child is born.
 - c. A Service Required Date must be entered based on when the Parent wants care and should only match the Child Application Date if the Parent wants care immediately. If it is an unborn Child, the Service Required Date must be later than the estimated birth date.
 - d. Waitlist Priority Codes should be completed for all Children (see details of the different codes in Policy Guide Chapter 2.2). There are more codes available than are listed in the Policy Guide due to past uses. Please make sure to only choose one that is listed in the Policy Guide. If in doubt, choose the “General Priority” code.
 - e. Fields like Preferred Program, Preferred Provider, and School District *should not* be filled out since when searching to offer a Family funding, EEC does not allow search results to be limited by those fields. Any information about the Family’s preferences should be entered in the Notes section of the Application Summary page.
4. Status History:
 - a. Shows the current and all past statuses of each Child, along with the date and user that gave that Child the status.
 - b. Status changes made by “System Controltec No Agency” were automatic changes completed by timers in the KinderWait system.
 - i. If there is an additional line that says “No Response to FAL” this means that a FAL was left unprocessed for more than 30 days after it was sent and the Child did not have a status of Pending or Pending/Pre-Enrolled.

- ii. If there was no additional line, it means that the Family has not updated their record in more than 12 months and the termination occurred based on the Application's Last Modified Date.
 - c. The status should always be the appropriate status for each Child as described in Procedures Manual Chapter 2.1.2.
 - 5. Notifications:
 - a. Shows the history of communications sent to a Family. Types of communications are detailed in Policy Guide Chapter 2.4.
 - b. For Funding Availability Letters (FAL), this section shows if the FAL was processed or not (See process below in Procedures Manual Chapter 2.2.2).
 - 6. Notes:
 - a. This is the section where a Subsidy Administrator will find notes about the Family from other parties. Notes must be reviewed by all Subsidy Administrators.
 - b. Every time a Subsidy Administrator has an interaction with the Family, notes should be added. Notes must be added if a Family is reactivated or a Child's status is changed.
 - c. Notes may also be added if a Family leaves a program owing a balance so that other Subsidy Administrators know that the Family is not eligible to be on the waitlist.
- C. **KinderWait Agent Utilities** – the following different search utilities are available. Each search option offers different functions such as the ability to change the status for everyone in the results or for just a selected group.
 - 1. Application: Use this section to locate a specific Family. The Subsidy Administrator can also find the most recent Families viewed/edited in the dropdown section.
 - 2. Family Search: This search is for finding groups of Families based on Family characteristics/criteria. It is commonly used for Renewal Letters, Mailing Labels and Family verses Child specific notifications.
 - 3. Child Search: Subsidy Administrators use the Child Status Search to find eligible Children and to run funding letters (see details in Procedures Manual Chapter 2.2).
 - 4. Search Utility: This search is for finding groups based on criteria not specific to an individual such as Application Date, Active Since Date, and Last Modified Date.
- D. **Common KinderWait Errors:** The following are the most common errors seen on the waitlist. This is not an exhaustive list so all Subsidy Administrators must take care to follow all waitlist guidance.
 - 1. Families duplicated because a Subsidy Administrator did not search the waitlist before adding the Family.
 - 2. Families being enrolled through a priority program (DCF or DTA Related Child Care under Policy Guide Chapters 6 and 7) but the Subsidy Administrator does not check to see if the Family is on the waitlist.

- a. While this is not required in order to enroll the Family in CCFA, this can lead the Family to be left as Active on the waitlist and receive funding letters while already in care.
 - b. The Subsidy Administrator can import the Family from the waitlist to CCFA to give the Family a waitlist ID in CCFA. If the Family is already in CCFA, the Subsidy Administrator can update the waitlist ID.
 - c. Once linked, the waitlist status will change to enrolled when a new Authorization is entered (the Subsidy Administrator will have to change the Child's status manually if the Authorization is already entered in CCFA).
 - d. This can also save time later when the Family moves to the Income Eligible program since the Family will already have the Waitlist ID required by CCFA.
3. Notes not added to a Family's application when the Household is updated or reactivated. Notes are key for other users to know when a Family has spoken with a Subsidy Administrator.
 4. Family is reactivated with the wrong Application date:
 - a. If a Family has been terminated, Families may have their last application date only if the record is reactivated within 30 days.
 - b. If a Family has been enrolled or off the waitlist for more than 30 days, the Family must be given a new application date based on the date they requested to return to the waitlist (*not a date based on the Family's last day in care*).
 - c. If a Family does not agree with their application date, the Family may appeal it to EEC through a Request for Review as detailed in Policy Guide Chapter 14.
 5. A Family's application date will automatically change to today's date when any Child's status goes from "Terminated" to "Active" but NOT when the status goes from "Enrolled" to "Active". When changing from enrolled to active, the Subsidy Administrator must manually go into the household details screen, update the date, and click save.
 6. A Subsidy Administrator reactivated or updated a waitlist application and the Last Modified Date was not updated: This can cause a Family to be sent a Renewal Letter and be Terminated earlier or cause confusion when the Family receives more notifications than warranted.
 7. For common Funding Availability Letter errors see Procedures Manual Chapter 2.2.4

2.1.2 Waitlist Status Definitions *(New as of July 2020)*

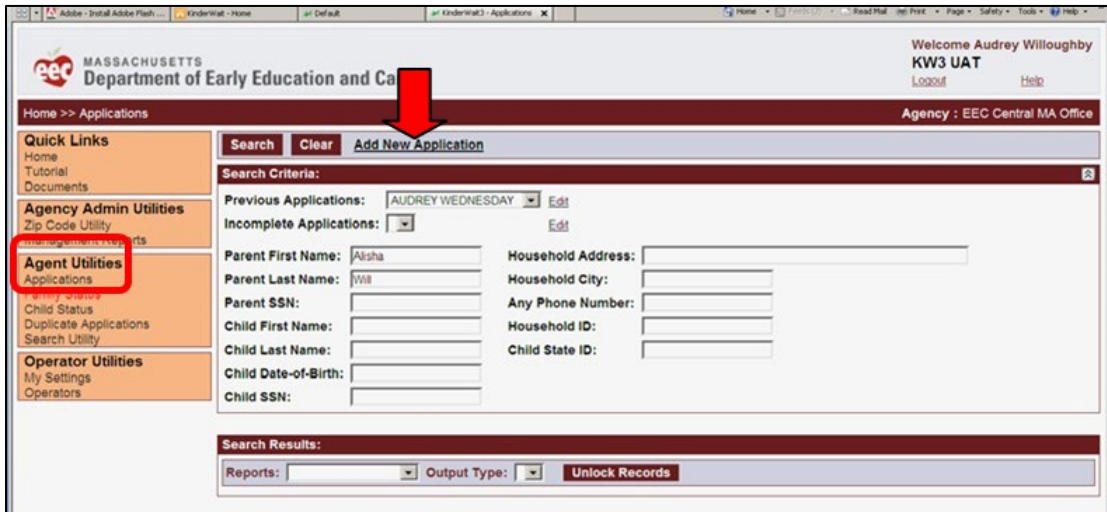
A Family's waitlist record is active when one or more Children have a status of Active. The KinderWait application has system timers that will change a status from Active to Terminated based on EEC's waitlist guidelines. Subsidy Administrators adding or reactivating a Child on the waitlist must use the status that is appropriate for that Child.

Waitlist Status	Definition/Use
Active	Status for a Child who is looking to receive subsidized child care. A Child must have a status of Active to receive Funding Offers and for the Family to receive Confirmation and Renewal Letters.
Archived	This status should not be used for any Child.
Continuity of Care	Continuity of Care was used when a Parent went on an Approved Break in Care or when the Parent was transferring to another program. This status is no longer needed due to continuity of care/single Authorization policies and should not be used for any Child.
Enrolled	Child is receiving EEC Financial Assistance. CCFA changes the status to enrolled automatically once an authorization is completed.
Other Family Member	A Child that is included for household size but is not in need of care - such as a Child over 13. This status should be for any Child not in need of care if there are any other Children in the Family that have an Active status. This status must be used for a Child who already has a sibling enrolled in subsidized child care since there is immediate access to care through the sibling access policy.
Pending	A Subsidy Administrator will put a Child in Pending status prior to sending a Funding Availability Letter (FAL) and the Child remains in pending while getting the Family's response. This status prevents other agencies from sending the Child a FAL at the same time. KinderWait resets the Child's status to Active automatically after 30 days.
Pending/ Pre-Enrolled	A Subsidy Administrator can use Pending/Pre-enrolled status when a Parent has responded to a FAL and is in the process of eligibility assessment and enrollment. KinderWait resets the Child's status to Active automatically after 30 days.
Terminated	Status for a Child who is inactive on the waitlist and ineligible to receive funding. Child may have been terminated for cause (ineligible; no response to funding letter; no response to renewal letter) or when the Parent no longer wishes to be on the waitlist. This status should be used for Families that are not active on the waitlist, but only if all Children are not active (see "Other Family Member" if some Children in the Family are active).

2.1.3 Adding a New Family to the Waitlist *(New as of July 2020)*

Families must be placed on the EEC centralized waitlist to access child care financial assistance. All Subsidy Administrators must follow these instructions to add a Family to the waitlist. Families should only have one waitlist record – if the Family already exists on the waitlist, follow the instructions in Procedures Manual Chapter 2.1.2.

- A. Start by going to KinderWait and clicking “Applications” under the “Agent Utilities” menu on the left side



- B. Before clicking to add a new application, Subsidy Administrators MUST search the waitlist thoroughly to see if the Family has an existing record. If the Family has an existing record, the Subsidy Administrator should reactivate the Family as detailed in Procedures Manual Chapter 2.1.4
 1. Try searching for a partial name to catch misspellings.
 2. Do not enter too many criteria at once.
 3. If searching by phone number, enter as format (XXX) XXX-XXXX with the parenthesis, space, and dash included in the entry.
- C. If the Family was not found, Click Add New Application if not found. Complete Primary Parent Information. Click Continue.
- D. Click Edit to edit household details. Complete related fields. Save.
 1. Physical and mailing addresses should always match against the US Postal Service. KinderWait will validate the entry against the US Postal Service. If it corrects the entry, make sure to click “OK” to accept the change.
- E. Click Edit to edit existing Parent details (this is the Parent used to start the household record). Complete related fields. Save.
- F. Enter Parent Employment information. Click Add New Employer or Training. Complete related fields. Save.
- G. Enter Parent Income information. Click Add New Income. Complete related fields. Save.

- H. Add additional Parent (click Add New Parent while in the Parent section of the Application Summary).
- I. Add Child (select Add New Child while in the Child section of the Application Summary).
 - 1. If a Child is an Other Family Member, (Child is too old to receive care or a Child that does not currently need care) remember to check the box next to Other Family Member at this time).
 - 2. If the Child is a Foster Child, remember to make this selection from the Family Type dropdown list. If this Child is related to another Foster Child in the household, select that Child from the Sibling dropdown list.
 - 3. If the Subsidy Administrator is adding the Child to offer care immediately after exhausting the waitlist as detailed in Policy Guide Chapter 2.3, please make sure to check the priority code "Exhaustion of Families in Need in Area" when adding the Child.
 - 4. If the Parent wishes to have care in the future, make sure to enter the desired date in the "Date Service Required/Need." This must be completed for Children who have not yet been born.
- J. Add Foster and Guardian Income information by clicking on Edit Family next to the appropriate Child while in the Child section of the Application Summary. Complete related fields (foster income is at the bottom). Save.
- K. Add additional Children (click Add New Child while in the Child section of the Application Summary).
 - 1. If the Subsidy Administrator is adding the Child to offer care immediately after exhausting the waitlist as detailed in Policy Guide Chapter 2.3, please make sure to check the priority code "Exhaustion of Families in Need in Area" when adding the Child.
 - 2. If the Parent wishes to have care in the future, make sure to enter the desired date in the "Date Service Required/Need." This must be completed for Children who have not yet been born.
- L. Return to the Application Summary screen and click on Update in the Eligibility section (this will update the household record and identify eligible programs for Children in the household).
- M. Click on Add New Note in the Notes section of the Application Summary. The Subsidy Administrator should enter a note stating the date that the Parent requested to be added to the waitlist and any other information about the Family (i.e. preferences on provider type, etc).
- N. Helpful tips:
 - 1. Fields denoted with a red asterisk are required.
 - 2. Click on Edit any time a record needs to be modified and remember to SAVE!!

2.1.4 Reactivating a Family on the Waitlist/Updating Waitlist Records *(Updated as of September 2021)*

Families should only have one waitlist record – if the Family already exists on the waitlist, Subsidy Administrators must follow these instructions for updating a Family’s record.

- A. Start by going to KinderWait and clicking “Applications” under the “Agent Utilities” menu on the left side.
- B. Search for the Family’s record. Once found, click Edit under the Action header.
 1. Shortcut: The last 10 household records accessed will be listed in the drop down next to “Previous Applications”. Highlight the name of the record from the list and click Edit to the right of the list.
- C. Once in the Application Summary Screen, scroll to the Notes section and make sure to read through any past notes on the Family.
 1. Subsidy Administrators must look for notes about ineligibility, such as notice of a sanction from EEC.
 2. Additionally, Subsidy Administrators shall look closely to see if there is a note about the Parent leaving a balance at a past provider which may make the Family ineligible to be active on the waitlist.
 3. If there is a note about an outstanding balance, the Subsidy Administrator must confirm the time period during which the balance was incurred. If the time period is not referenced in the note, the Subsidy Administrator must make every effort to contact the agency who left the note to determine the time period. The following steps shall be followed:
 - a. Parents who left the subsidized care program owing a Parent Fee balance incurred between March 2019 and February 2021¹ **shall be allowed** to re-access the waitlist and be eligible for subsidized care no matter the status of the outstanding balance.
 - b. Parents with a Parent Fee balance incurred at any other time may re-access the waitlist and be eligible for subsidized care if the Parent is current with the terms of an active Repayment Agreement under Policy Guide Chapter 11.6.4.
 - c. If the Subsidy Administrator cannot determine the time period for the outstanding balance and the note was entered in the waitlist record in February 2019 or later, the Subsidy Administrator shall assume that the balance was incurred between March 2019 and February 2021.
- D. If the family previously received subsidized care, the Subsidy Administrator shall go to the family’s record in CCFA and review the notes section on the Family Details Page. The Subsidy Administrator shall follow the same process detailed in step C above to determine the appropriate action.
- E. Click on Edit to update the information in any section that needs to be modified

¹ Please note that EEC has been waiving collection of Parent Fees since March 23, 2020 and that no parent fee balances should have been incurred between that date and February 2021.

- F. ALWAYS verify that the Parent's Address and Phone Numbers are correct.
- G. Under Status History, click edit to update the status of each Child. The correct status should be chosen based on the Child's circumstances. See Procedures Manual Chapter 2.1.2 for Status Definitions.
- H. Click to edit the Household Section, and update the Household Application Date
 - 1. The Household Application Date should be the date the Family requested reactivation in the following circumstances:
 - a. Family was terminated from the waitlist for being over income, no matter how recently the termination occurred.
 - b. Family was terminated from the waitlist more than 30 days ago.
 - c. Children were listed as enrolled in subsidized care but have left the subsidy. The family is now requesting reactivation on the waitlist.
 - d. Family has refused funding offers more than 3 times.
 - 2. The Household Application date should be the Family's last Household Application Date in the following circumstances:
 - a. Family was terminated from the waitlist less than 30 days ago, unless the termination was for being over income.
- I. Always add a new note with details on parent's request for reactivation. If the parent had a prior balance, make sure to note your determination under step C or D that the Parent qualifies for reinstatement.
- J. Always click "Update Last Modified Date" on the Household page when a Parent contact occurs, even if no changes were needed to the record. This will advance the Last Modified Date located at the bottom of the screen and will change the timer for the Family's next Renewal Letter.

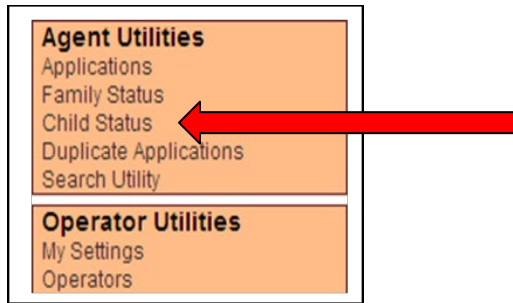
2.2 How to Offer Funding to Children on the Waitlist *(Updated as of September 2021)*

The following are key tips to navigating EEC's centralized waitlist on KinderWait. Subsidy Administrators must search the centralized waitlist to identify Families seeking subsidized child care and offer those Families care first.

2.2.1 How to Offer Funding and Create Funding Availability Letters (FAL) *(New as of July 2020)*

The process to select Families from top of the waitlist, print and send FALs is as follows.

- A. From KinderWait go into "Child Status" (found under "Agent Utilities" on the left side).



- B. Fill in Search Criteria – **Only fill in the sections below; leave all other sections blank:**
1. Hit “Clear” at the top to ensure that any prior search information is erased.
 2. Status should equal Active/Continuity of Care
 3. Enter the number of Vacancies. The search will show only 5 Families for every 1 vacancy, so EEC suggests that Subsidy Administrators use a minimum of the default of 10.
 4. Enter Zip codes and Check the boxes for Home, Preferred, and Work.
 - a. For Contract Child Care Educators/Providers, the Zip Codes entered should be the Zip Code of the program location plus surrounding areas. A general rule for the size of the search radius is the town the program is in plus close surrounding towns while still being reasonable for the distance a Parent may be willing to travel. Programs in Boston may use surrounding neighborhoods rather than the entire city or surrounding towns. EEC will consider it an invalid search if too small of an area is searched.
 - b. CCRRs may search for their entire service area. If the CCRR serves a large geographic area, the CCRR may divide the service area into smaller zones for the search so long as they run funding letters for all zones when voucher access is open.
 - c. Inclusion of Preferred and Work zip codes allow Families who wish to have care closer to work or a specific location to appear in searches, even if the Parent lives further away.
 5. Priority Codes: Select all codes
 6. Age:
 - a. Contract Child Care Educators/Providers are allowed to enter the age range for the age of the slot available (i.e. for toddler, enter 1 yr 3 mths to 2 yrs 9 mths). It is EEC’s expectation that the Contract Child Care Educators/Provider searches the entire age range and not a small age group (i.e. do not only search toddlers from 1 yr 3 months to 2 yrs).
 - b. CCRRs must leave the age range blank.
 7. Service Required Date: Leave the “From” date blank. The “To” date should be 30 days in the future.

8. To exclude Families that have previously been sent an FAL by the Subsidy Administrator’s agency, fill in the Notifications section as follows:
 - a. Notification Type equals Funding Availability Letter with “Not Sent” selected.
 - b. Agency should enter automatically but if not, choose the program from the list.
 - c. Date Range should be the letters to be excluded. EEC suggests that only the prior few months are excluded, so From and To dates must be completed.
- C. Click Search. Results will be in order with the Children who have the oldest application dates on top.
- D. Review the notes for Children – accessed in the “School Notes” column by clicking the link for “Notes”. Subsidy Administrators should especially review any notes that indicate a Parent’s preference for type of program.
 1. Contracted Child Care Educators/Providers should make sure that they do not send FALs to Parents who have indicated that they want to wait for a voucher.
- E. Check the box in the far left for Children who are going to be sent FALs. While EEC recommends that Subsidy Administrators send more than one letter for each available slot, the Subsidy Administrator should never send more FALs than the Subsidy Administrator can track and manage.
- F. Change the Reports field to Funding Availability Letter and Click “Print Selected”.

The screenshot shows a search results page with the following elements:

- Search Criteria:** Search and Clear buttons.
- Search Results:** 5 records found.
- Change Status To:** [Dropdown]
- Reason for Change:** [Dropdown]
- Reports:** Funding Availability Letter (dropdown menu is open showing options like Application History, Confirmation Letter, etc., with 'Funding Availability Letter' selected).
- Output Type:** PDF (dropdown)
- Buttons:** Print All, Print Selected (highlighted with a red arrow).
- Table:**

All None	AC		Family Info	Status	Enrollment	School Notes	App Date Act Since
<input checked="" type="checkbox"/>	Edi Sta Det	07	Type: Foster Income: \$0.00 Size: 1	Status: Active Protective Services: No Special Needs: No	Sibling Enrolled: No Eligibility Block:	No School Notes	01/07/2010 05/25/2020
<input checked="" type="checkbox"/>	Edi Sta Det	17	Type: Foster Income: \$0.00 Size: 1	Status: Active Protective Services: No Special Needs: No	Sibling Enrolled: No Eligibility Block:	No School Notes	01/07/2010 05/25/2020
<input checked="" type="checkbox"/>	Edi Sta Det	aby 20	Type: Std / Nat Income: \$1,200.00 Size: 4	Status: Active Protective Services: No Special Needs: No	Sibling Enrolled: No Eligibility Block:	No School Notes	08/31/2010 06/25/2020

- G. Check the contact information that auto filled based on the user profile. Change any information as needed to ensure correct information prints on the FAL.
- H. Click View and the FALs will generate in a pop up. The Subsidy Administrator can print the FALs from this screen as well as download a PDF to save an electronic copy of the letters printed.
- I. Back in the results screen, the Subsidy Administrator can also run a Contact List Export to download an Excel file with the names and contact information for the Families sent letters.

All None	Action	Child	Family Info	Status	Enrollment	School Notes	App Date Act Since
<input checked="" type="checkbox"/>	Edi Sta Del	07	Type: Foster	Status: Active Protective Services: No Special Needs: No	Sibling Enrolled: No Eligibility Block:	No School Notes	01/07/2010 05/25/2020
<input checked="" type="checkbox"/>	Edi Sta Del	17	Type: Foster Income: \$0.00 Size: 1	Status: Active Protective Services: No Special Needs: No	Sibling Enrolled: No Eligibility Block:	No School Notes	01/07/2010 05/25/2020
<input checked="" type="checkbox"/>	Edi Sta Del	20	Type: Std / Nat Income: \$1,200.00 Size: 4	Status: Active Protective Services: No Special Needs: No	Sibling Enrolled: No Eligibility Block:	No School Notes	08/31/2010 06/25/2020

- J. With the same Children checked, choose “Pending” from the “Change Status To” drop down and click “Update” to change the Children’s status.


All None	Action	Child	Family Info	Status	Enrollment	School Notes	App Date Act Since
<input checked="" type="checkbox"/>	Edi Sta Del	07	Type: Foster	Status: Active Protective Services: No Special Needs: No	Sibling Enrolled: No Eligibility Block:	No School Notes	01/07/2010 05/25/2020
<input checked="" type="checkbox"/>	Edi Sta Del	17	Type: Foster Income: \$0.00 Size: 1	Status: Active Protective Services: No Special Needs: No	Sibling Enrolled: No Eligibility Block:	No School Notes	01/07/2010 05/25/2020
<input checked="" type="checkbox"/>	Edi Sta Del	20	Type: Std / Nat Income: \$1,200.00 Size: 4	Status: Active Protective Services: No Special Needs: No	Sibling Enrolled: No Eligibility Block:	No School Notes	08/31/2010 06/25/2020

- K. The status will remain as Pending Status for 30 days. If a Subsidy Administrator is working with the Family to enroll, the Subsidy Administrator should change the status to Pending/Pre-Enroll which will last for another 30 days. KinderWait’s automatic timers for funding letters are put on hold while a Child is in Pending or Pending/Pre-Enrolled status.
- L. After letters are sent, Subsidy Administrators **must** process all letters following the steps in Procedures Manual 2.2.2.
- M. If the Subsidy Administrator realizes that FALs were printed and/or sent in error, the Subsidy Administrator must complete the process:
1. If the FAL was sent to the Parent, the Subsidy Administrator must process the FAL as detailed in Procedures Manual Chapter 2.2.2. A note should also be put in the household and the Family contacted.
 2. If the FAL was never sent to the Parent, the Subsidy Administrator can delete the FAL from the Family’s record:
 - a. At the bottom of the notifications section, click “Send or Edit Notifications”
 - b. Find the FAL sent in error and click delete. Please note that this action cannot be undone.

- c. A Subsidy Administrator’s ability to delete a notification may depend on the user’s profile.

2.2.2 Processing Funding Availability Letters *(Updated as of Sept. 2021)*

KinderWait has automatic timers that enforce the policy that Families must respond to FALs or the Family will be terminated. If a FAL has not been processed as detailed below, the entire Family will be terminated on the Waitlist. The Notifications section on the Family’s Application Summary screen will show “No” under “Processed” if the FAL is still pending. Follow the steps below based on what is happening with the Family. [This process MUST be followed for all families offered funding as EEC tracks this data and uses the information to inform Financial Assistance Policies.](#)



Notifications							
Action	ID	Notification	Sent To	Date Printed	Printed By	Agency Name	Processed
	767813	Funding Availability Letter	Child: DAISHAWN WILLOUGHBY	06/26/2020 09:34 PM	Carole Meehan	No Agency	No

A. If the Family is enrolling:

1. Once you have confirmed that none of the Family members exist in CCFA, import the Family into CCFA from the Waitlist.
2. Create the Authorization and Placement in CCFA.
3. CCFA will automatically change the Child’s status in KinderWait to “Enrolled” and the FAL will automatically process. No further action by the Subsidy Administrator is needed

B. If the Slot is Full *OR* If the Family Responded but is not Enrolling:

1. If a Family has refused the funding offer *OR* the Subsidy Administrator’s available slot was filled before the Parent could respond, the Subsidy Administrator **must** record the outcomes for each Child in the Refused/Denied section at the bottom of the Family’s Application Summary screen. [This process MUST be followed for all families offered funding as EEC tracks this data and uses the information to inform Financial Assistance Policies.](#)

Refused / Denied Care	
Child Name:	<input type="text"/>
Correspondence ID:	<input type="text"/>
Refused Care	<input type="radio"/> No Care Needed - remove child from Wait List by putting child in Terminated status <input type="radio"/> No Care Needed - keep child on Wait List and increment Funding Refused Counter <input type="radio"/> Not interested in current offer - wait for preferred option and increment Funding Refused Counter
Denied Care	<input type="radio"/> Ineligible - remove child from Wait List by putting child in Terminated status <input type="radio"/> Ineligible - keep child on Wait List
No Longer Available	<input type="radio"/> Too Late - slot is no longer available, keep child on Wait List
Submit	

2. Choose the Child's name, enter the Correspondence ID (which can be found in the notifications section), and select a reason.
 3. The options should be used as follows:
 - a. "No Care Needed - remove Child from Wait List by putting Child in Terminated status": Parent refuses the offer and indicates that the Parent does not want to be on the waitlist anymore.
 - i. Please note that this will **not** change the Children's status to Terminated.
 - ii. After completing this section, the Subsidy Administrator must change the Child(ren)'s status to Terminated.
 - b. "No Care Needed - keep Child on Wait List and increment Funding Refused Counter": Parent does not want care at this time but wants to remain on the waitlist with the Family's current application date. This will count as one refusal for the Family.
 - i. To prevent the Family from getting funding letters immediately, the Subsidy Administrator should ask when the Parent wants care and change the Child(ren)'s Service Required Date to match when the Parent wants care.
 - c. "Not interested in current offer - wait for preferred option and increment Funding Refused Counter": Parent does not want to enroll with the Subsidy Administrator and wants to wait for their preferred program or type of care. This will count as one refusal for the Family.
 - i. To help other Subsidy Administrators, enter a note on the Family's Application Summary screen detailing the Family's preference.
 - d. "Ineligible - remove Child from Wait List by putting Child in Terminated status": Used when a Family was denied for a subsidy and is not eligible to remain on the waitlist. Most often, this is used when a Family is over the initial SMI income limit but may also be used if the Child is undocumented.
 - i. Please note that this will **not** change the Children's status to Terminated.
 - ii. After completing this section, the Subsidy Administrator must change the Child(ren)'s status to Terminated.
 - e. "Ineligible - keep Child on Wait List": Used when a Family was denied for a subsidy but is still eligible to remain on the waitlist.
 - f. "Too Late - slot is no longer available, keep Child on Wait List": This reason is used when the slot was filled before this Family could express interest. This reason is also used when a FAL was sent in error.
 4. Click Submit. The notifications section should now say "Yes" for this FAL.
- C. If the Family fails to respond to the FAL:**
1. If a Family does not respond to an FAL, KinderWait will terminate the Family for the Subsidy Administrator.
 - a. The termination will occur 30 days after the FAL was sent if the Family's status is Active and the FAL was not processed.

- b. The termination timer is paused if the Child has a status of Pending or Pending/Pre-Enrolled.
 - c. The termination will be of all Children in the Household, not only the Child that was sent the FAL.
 - d. Once the automatic termination occurs, the FAL will automatically process. The Subsidy Administrator does not need to process the letter.
2. EEC **strongly** recommends that the Subsidy Administrator enters a note on the Family's Application Screen confirming that the Parent did not respond to the FAL in case the Family appeals the termination.

2.2.3 Funding Availability Letter Tips *(New as of July 2020)*

- A. Zip Code Utility: The Subsidy Administrator can set up lists of Zip Codes so that Zip Codes do not have to be entered every time.
 1. The Zip Code Utility is found under "Agency Admin Utilities" on the left side on the screen and may only be available to certain users depending on permission level.
 2. Click at the top to add a new Zip Code list. Enter a name for the list (like "Hyde Park Location") and then enter the Zip Codes for that location, making sure to separate the Zip Codes with a comma.
 3. When the Subsidy Administrator is running FALs from the Child Search screen, the Zip Code list can be accessed by clicking the button with three dots to the right of the Zip Code field. When a list is chosen and "OK" is clicked, KinderWait will fill in the Zip Codes in the search field.
- B. Subsidy Administrators should save an electronic copy of the FALs sent so that they do not lose track of sent letters. This will also allow the Subsidy Administrator to print a second copy of the letter for a Parent's file if the Parent enrolls. The Subsidy Administrator can download a PDF copy from the pop up screen with the generated FALs.
- C. If a Subsidy Administrator needs to find Families that were sent letters, go to the Child Status utility link. Clear all entries, fill in the bottom Notifications section:
 1. Notification Type equals Funding Availability Letter with "Sent" selected
 2. Agency should enter automatically but if not, choose the program from the list.
 3. Date Range should be the range the Subsidy Administrator wants to look for sent letters.

2.2.4 Common Funding Availability Letter Errors *(New as of July 2020)*

- A. The Subsidy Administrator has a pop-up blocker on their web browser without adding KinderWait to the safe website list.
 1. When generated, FALs generate in a pop-up screen.
 2. If a pop-up blocker is on and the Subsidy Administrator clicks okay to allow the pop-up, KinderWait generates a second letter.

3. The Subsidy Administrator only thinks one FAL was generated since they only saw the FAL copies once, but the multiple letters are visible on the Application Summary screen.
 4. If this happens, the Subsidy Administrator must delete the duplicate notifications on each household that shows multiple notifications.
- B. The Subsidy Administrator fills in too many fields completed in the search screen.
1. KinderWait is an off-the-shelf system so there are many search fields that EEC does not use.
 2. Subsidy Administrators must make sure to only fill in the fields listed in Procedures Manual Chapter 2.2.1.
- C. Zip Codes are listed but the Subsidy Administrator forgets to check the boxes to the right for Household, Preferred, and Work.
1. If the boxes are not checked, the list will not search against any zip codes and say that no Families can be found.
- D. The Subsidy Administrator does not enter zip codes for a large enough geographic area. This may limit the number of results.
- E. The Subsidy Administrator clicks “Print All” instead of “Print Selected” after checking off Children.
1. This causes FALs to print for all Children in the search screen instead of only the ones selected.
 2. The Subsidy Administrator must correct any FALs that were printed in error as detailed in Procedures Manual Chapter 2.2.1.
- F. The Subsidy Administrator terminates a Family but leaves the Funding Letter unprocessed.
1. Since the Family is not active, the automatic timer for the FAL never happens but stays in limbo.
 2. If the Family is reactivated in the future but the FAL still has “No” listed under “Processed”, the automatic termination timer will activate and the newly reactivated Family will be terminated.
 3. The Subsidy Administrator must make sure that the letter is processed as detailed in Procedures Manual 2.2.2.

CHAPTER 3

General Requirements for Child Care Subsidies *(Updated as of Sept. 2021)*

3.1 General Authorization/Reauthorization Guidance *(Updated as of September 2021)*

3.1.1 Authorization/Reauthorization Process *(Updated as of June 2021)*

- A. EEC recommends that Subsidy Administrators keep a communication log in the Parent's file documenting all contacts, both communications that occur as a part of the authorization/reauthorization process and those that occur during the course of a Parent's authorization.
- B. Sufficient time should be set aside for the Subsidy Administrator to meet with the client to thoroughly review policies with the Family and answer any questions.
- C. Ensure you have all the forms that are required based on the program the Parent is being authorized under (See document checklist at end of Procedures Manual Chapters 4, 6, 7, 8, and 9) and that all forms **have been completed in full and are signed**.
 - A. If Parent has not completed any form in full, you should explain to the Parent what is needed, assist the Parent in filling out the form, and make every effort to have the Parent complete the form during the appointment.
- D. Ensure that Parent has submitted all required documentation to complete the Authorization or Reauthorization using the reduced documentation requirements detailed in the Financial Assistance Policy Guide dated July 1, 2020. **If Parent has not submitted all required documentation, Authorization shall not be completed until the Subsidy Administrator has all documentation in hand.**
 - A. If Parent does not present all documentation, Parent should be issued a Notice of Denial and a Request for Review.
 - B. Subsidy Administrator **must** keep copies of all documentation presented by the Parent.
 - C. Subsidy Administrator shall explain to the Parent that if the Parent is able to provide documentation within 60 days of a Reauthorization, they may submit the documentation directly to the Subsidy Administrator to complete the Authorization process (i.e. Parent does not need to submit a Request for Review if they are submitting documents to the Subsidy Administrator).
 - D. Subsidy Administrator shall explain to the Parent that the subsidy is not guaranteed to be available when the Parent submits all documents.
- E. Once an Authorization is complete and entered into CCFA, Subsidy Administrator shall ensure that the Parent has signed the final Application and Fee Agreement produced from CCFA.

3.1.2 In-Person Authorization/Reauthorization Requirement *(Updated as of July 2020)*

In accordance with EEC Policy, all Authorizations and Reauthorizations may occur in person or may occur virtually at the discretion of the Parent. Below are guidelines that Subsidy Administrators should follow to be compliant with policy.

- A. Subsidy Administrators may choose to allow Parents to submit documentation, including completed EEC forms, in advance of the Parent's appointment to help facilitate the Authorization. If the Parent submits documents electronically, the electronic copies must be fully legible and the Subsidy Administrator must print the documents to ensure that the Parent's file is complete. However, the Subsidy Administrator **must** review each form with the Parent at the appointment to ensure that the Parent understands the form, completes the form in full, and confirms that the information is accurate.
 - 1. Subsidy Administrators must create a process to exchange documents in a way that can be flexible for different Parents' needs and may include, but not be limited to, email, fax, and no-touch drop off.
 - 2. Subsidy Administrators must create a process to track documentation to ensure that items are not missed or lost.
- B. Subsidy Administrator may choose to collect the documentation at an appointment and complete the CCFA process at a later time. However, CCFA process must be complete, and the Parent must have signed the Application and Fee Agreement, prior to the Child starting in subsidized child care.
- C. For virtual Reauthorizations, EEC expects Subsidy Administrators to make every effort to meet with Parents by video or phone appointment to counsel Parents and answer any questions. Subsidy Administrators must be sensitive to the different technology capabilities of Parents and make accommodations as needed.
- D. EEC will **not** require a wet signature on any document.

3.1.3 Signature Requirements *(Updated as of June 2021)*

- A. Requirements for Wet Ink Signatures:
 - 1. EEC's definition of a Wet Ink Signature is a signature created when a person physically signs a document. Signatures on documents via email or fax are considered Dry Signatures.
 - 2. Documents at Authorization or Reauthorization:
 - a. It is EEC's expectation that documents have a signature. Documents or forms that do not have a Wet Ink Signature must have a Dry Signature.
 - 3. Documents at the reporting of Temporary or Non-Temporary Changes: Since Parents cannot be required to report Temporary or Non-Temporary Changes in person, all documents submitted or completed do not require a wet signature.

- B. The Subsidy Administrator shall not require a signature in the circumstances listed below. In such circumstances, the Subsidy Administrator may write “Signature on File” on any related documents:
1. Change of Child Care Educator/Provider or Change in Location of Care
 - a. For a voucher, the Parent must have submitted a signed Change of Provider Form.
 - b. For a contract slot, the Subsidy Administrator must have Parent approval required under EEC Licensing regulations and policies.
 2. Change of Umbrella Organization due to merger or sale.
- C. In all circumstances, documents must be signed. Stamps of a Subsidy Administrator’s signature **shall not** be used. Signatures **shall not** be typed, or otherwise electronically added to documents, unless through an EEC approved electronic signature program.
- D. Use of electronic signature programs are strongly encouraged but **must** be approved by EEC prior to use for subsidy documentation. Please submit details to eecsubsidymanagement@mass.gov for approval. Please note that the electronic signature software used must produce a legally binding signature.

3.1.4 Subsidy File Requirements *(Updated as of June 2021)*

- A. Subsidy Administrators **must** use a document check list to ensure that the subsidy file is complete and has all required documentation.
- B. EEC recommends the use of the EEC Subsidy File Checklist, found on EEC’s website at <https://www.mass.gov/lists/forms-for-managing-financial-assistance>. However, Subsidy Administrators may create their own checklist as long as it is comprehensive and consistent with all EEC policies.
- C. EEC Recommends that the check list should be reviewed and signed by both the initial person who does the eligibility determination in CCFA and the Secondary Reviewer as a part of the Dual Authorization Approval Functionality.

3.1.5 Additional Documentation Request Guidelines *(Updated as of September 2021)*

The section below applies to families in Income Eligible Child Care, including Young Parent and Homeless programs. Please note that documentation does not need to be requested in the following circumstances:

- DTA-Related Child Care (including Transitional or Post-Transitional Child Care),
- DCF-Related Child Care (including Transitional Child Care),
- Homeless families referred by DHCD or DCF; and
- Homeless families residing in shelter who provide a shelter referral letter that details all items required in Policy Guide Chapter 9.1(C).

As detailed in Policy Guide Chapter 3.3, Subsidy Administrators must request additional documentation if they have reason to believe that a Parent has not accurately reported

his/her Family composition and size, particularly around the inclusion or exclusion of the Child's other Parent. Additionally, documentation may need to be requested for Families who are new to Income Eligible Child Care to ensure that an accurate household size is being reported. Families new to Income Eligible Child Care may include:

- A family enrolling from the EEC Waitlist, including Young Parents and homeless families not referred for care by the DHCD or DCF. For such families, please follow the guidance below for "New Families";
- A family transitioning to the Income Eligible program from DCF or DTA-Related Child Care. For families transitioning to Income Eligible from these other EEC programs, use the guidance below for "Existing Families".

Subsidy Administrators should note that the information below is general guidance. Household composition can be a complicated question and each case must be looked at individually. Subsidy Administrators are expected to review the situation of each household with the guidance below in mind and determine whether EEC policy requires that additional documentation be requested. Subsidy Administrators may reach out to EEC at EECSubsidyManagement@mass.gov if they need assistance deciding if additional documentation is needed for a specific Family.

New Families:

As new Families, Subsidy Administrators need to make an evaluation of the Family to see if additional documentation should be requested to ensure that the accurate household size is being reported. Subsidy Administrators should follow this general guidance for when to request additional documentation for new families:

1. If both Parents are listed in the waitlist record but the primary Parent reports themselves to be a single Parent household, additional documentation for the second Parent must be requested.
2. If the Child is young (three or younger) and both parents are listed on the birth certificate, additional documentation of the second Parent should be requested even if the second Parent is not listed on the waitlist record.
3. If the Child is older (over three) *and* there is nothing else to cause uncertainty about the household's composition, then additional documentation does not need to be requested. Scenarios that could cause uncertainty about the household's composition include, but are not limited to, the following:
 - a. The parent checked off certain boxes on the Household Composition Statement, such as married, separated, or living with the Child's other parent;
 - b. The Parent presents paystubs that say married. Please note that some paystubs say S/M which is either the parent is single or is married and filing separately. If this is listed, the Subsidy Administrator should only request documentation if one of the factors listed under item 3 apply;
 - c. There is a younger sibling in the household that has the same second Parent; or

- d. The second Parent is listed on enrollment/emergency contact form with the same contact information as the primary Parent.

For new families, we suggest that the Subsidy Administrator walk through the following questions to determine if additional documentation is needed:

1. Are both parents listed on the birth certificate?
2. How old is the child?
3. Are there any other indicators – younger child, second parent listed on waitlist, etc., – that would indicate potential involvement of the second parent?

Existing Families:

For existing families, once additional documentation has been collected once, documentation should not be requested again unless something has changed for the household. For families transitioning to Income Eligible Child Care, documentation should be requested if there is reason to believe that the household composition was not reported accurately previously. Examples of situations that would require the collection of additional documentation include, but are not limited to, the following:

- Paystubs that now say married;
- The Parent checks off a different box on the Household Composition Statement;
- A new child is added to the household (even if that child will not be in care); or
- The second Parent is listed on enrollment/emergency contact form with the same contact information as the primary Parent.

For existing Families, we suggest that the Subsidy Administrator walk through the following questions to determine if additional documentation is needed:

- Has there been a change in circumstances or documentation that the Parent has submitted?
- Are there any other indicators – younger Child, second Parent listed on enrollment form, etc. – that would indicate potential involvement of the second parent?

3.2 Single Authorizations *(Updated as of July 2020)*

With the exception of DCF-Related Child Care, CCFA produces one Child Care Subsidy Authorization per Family which streamlines the Authorization process.

3.2.1 Family's Authorization *(Updated as of July 2020)*

The Family's single Authorization shall remain in place through the end of the Authorization period, even if the Family changes Subsidy Administrator, changes from contract to voucher, moves to a different geographic area, etc. In such circumstances:

- A. Original Subsidy Administrator shall enter a termination with the reason “Voluntary Termination/Change of Provider” to end the Child’s placement but keep the Authorization open.
- B. If a Parent is moving and needs assistance finding a provider, the Subsidy Administrator shall refer the Parent to the CCRR in the Parent’s new geographic area to provide assistance.
- C. Family may be placed on an Approved Break in Care if the Parent will need time to complete the transition to a new provider. If a Parent is not given an Approved Break in Care and the Child(ren) does not have a placement for more than 60 days, it will be considered an Abandonment of Subsidy and the Child(ren) will not be able to re-access care immediately. The original Subsidy Administrator **must** ensure that the Parent is aware of this policy.
- D. Original Subsidy Administrator shall facilitate the transfer of the Parent’s subsidy file, including foundational documentation and last Authorization, to the new Subsidy Administrator.
- E. All parties shall work to ensure a smooth transition of the Parent’s subsidy.

3.2.2 What entity authorizes a Family

- A. When a Family receives early education services through voucher and contract placements or multiple contract placements with different Contract Providers, a single Subsidy Administrator must be identified.

Children’s Enrollment	Single Subsidy Administrator
Income Eligible (including Teen and Homeless): Two separate Contracted Child Care Educators/Providers	CCRR
Income Eligible (including Teen and Homeless): Two separate locations of care that are both under the same Contracted Child Care Educator/Provider umbrella	Contract Provider
Income Eligible (including Teen and Homeless): One Contracted Child Care Educator/Provider and one Voucher Child Care Educator/Provider	CCRR
Income Eligible (including Teen and Homeless): One or more Voucher Child Care Educator/Provider	CCRR
DTA-Related Child Care (including Transitional and Post-Transitional): All scenarios	CCRR

Children’s Enrollment	Single Subsidy Administrator
DCF-Related Child Care: All scenarios	Authorizations are on a per-Child basis completed by the Contracted Child Care Educator/Provider or CCRR

- B. **Audit and Monitoring:** If a placement is entered by a Subsidy Administrator into an Authorization created by a different Subsidy Administrator, the Subsidy Administrator making the new placement shall not be liable for any errors related to the existing Authorization. However, the Subsidy Administrator making the new placement (e.g., the location of care) shall remain responsible for all attendance and billing associated with the new placement. The new Subsidy Administrators are not required to obtain supporting documentation before entering a new placement in CCFA based on a different Subsidy Administrator’s Authorization. Nevertheless, the new Subsidy Administrator should request a copy of the Family’s file from the prior Subsidy Administrator, so that both parties have all the foundational documentation needed for subsequent Reauthorizations.

3.3 Temporary and Non-Temporary Changes *(Updated as of Sept. 2021)*

Start date for all Temporary or Non-Temporary Changes: All Temporary and Non-Temporary Changes must start at least the day after a Parent reports the change and completes all documentation, unless otherwise noted below. For example: if a Parent reports a change on Monday, the change takes effect no earlier than Tuesday. Non-Temporary Changes cannot start the same day as a master Authorization.

3.3.1 How to tell the difference between Temporary and Non-Temporary Changes *(Updated as of July 2020)*

Please find below general guidelines for how to tell the difference between Temporary and Non-Temporary Changes. If you have questions on how to address a particular Family’s situation, please contact the EEC Financial Assistance Unit (eeccsubsidymanagement@mass.gov) for guidance.

- A. To qualify for a Temporary or Non-Temporary Change, a Parent must have an active 12 month Authorization. **Temporary and Non-Temporary Changes do not apply to 26 week Provisional Authorizations, even if the CCFA functionality is available to facilitate Parent Fee changes during Provisional Authorizations.**
- B. **If the Parent is in a 12-month Authorization, the following situations shall be considered Temporary Changes.** All Temporary Changes must be recorded in CCFA as detailed in Procedures Chapter 3.3.2:

1. Parent's time limited absence from an approved activity due to an illness or need to care for a Family member.
 - a. The absence may be from any approved activity, including education/training.
 - b. There is no limit to how long a Parent may be out from the approved activity, however, Parent must be able to document an approved activity by the next Reauthorization unless the Parent is otherwise eligible for a Provisional Authorization at Reauthorization as detailed in Policy Guide Chapter 5.
 - c. Situations that fall under this category include, but are not limited to:
 - i. Maternity/Paternity Leave;
 - ii. Family Medical Leave Act related break in employment;
 - iii. Short-term or long-term disability;
 - iv. Workers' compensation;
 - v. Parent taking leave from approved activity to care for a sick Family member;
2. Any interruption in work for a seasonal worker who is not working between regular industry work seasons.
 - a. Parent **must** be able to document an approved activity by the next Reauthorization, so interruption in work cannot cross over Authorizations, unless the Parent is otherwise eligible for a Provisional Authorization at Reauthorization as detailed in Policy Guide Chapter 5.
 - b. Employment that qualifies as seasonal includes:
 - i. Parent who works for a school department or for a company contracted by the school department to provide services (works about 10 months a year).
 - ii. Parent who works as a snow plow driver and also as a landscaper (works most of the year with a few breaks between two seasons).
 - iii. Parent who works in construction but who cannot work in winter (works about 9 months a year).
 - iv. Parent who is a farmer or farm worker (works March through October – 8 months a year).
 - v. Generally, any Parent whose regular work lasts at least 8 months of the year.
 - c. Employment that **does not** qualify as seasonal includes:
 - i. Parent who works only about 3-4 months a year, such as only working as a snow plow driver or only working as a landscaper.
 - ii. Parent who only works during the holiday retail season (only 2 months).
 - iii. Parent who only works summer Seasonal Employment (about end of May through around Columbus Day – 4 months at most).
 - iv. Parent who only works for the ski season (about 3-4 months a year).
3. Any semester or holiday break for a Parent participating in education or training.
 - a. This definition includes all semester and holiday breaks, including the full summer break.

- b. Time limit is *no longer* limited to only breaks of 6 weeks or less.
 - 4. Any reduction in work, training, or education hours, as long as the Parent is still working or attending training/education.
 - a. As long as the Parent is still working or in training/education for at least one hour per week, the reduction in work, training, or education hours qualifies as a temporary change.
 - b. Parent **must** be able to document an approved activity of at least 20 hours for part time care, or at least 30 hours for full time care, by the next Reauthorization unless the Parent is otherwise eligible for a Provisional Authorization at Reauthorization as detailed in Policy Guide Chapter 5.
 - 5. Any cessation of a Parent’s approved activity due to the COVID-19 **pandemic**.
 - a. This will include, but not be limited to, furlough, layoff, or termination of activity.
 - b. Parent **must** be able to document an approved activity by the next Reauthorization unless the Parent is otherwise eligible for a Provisional Authorization at Reauthorization as detailed in Policy Guide Chapter 5.
 - 6. Any other cessation of a Parent’s approved activity that does not exceed 12 weeks.
 - a. If a Parent reports that they have lost or changed service need, the Subsidy Administrator shall use the following guidelines to determine if the change is Temporary or Non-Temporary:
 - i. If a Parent has a new service need at the time of reporting and it has been less than 12 weeks since the end of the last service need, the Subsidy Administrator shall deem the change a Temporary Change.
 - ii. If a Parent has left work, education, or training program and does not have a new service need at the time of reporting, the Subsidy Administrator shall deem the change a Non-Temporary Change and follow the instructions detailed below.
 - 7. Any change of residency within the Commonwealth.
- C. **If the Parent is in a 12 month Authorization, the following reasons shall be considered Non-Temporary Changes**. All Non-Temporary Changes must be recorded in CCFA as detailed in Procedures Chapter 3.3.3:
 - 1. Increases in total household income exceeding 85% SMI.
 - 2. Changes in Family contact information
 - 3. Changes in Household Composition for more than 30 total days in the 12 month Authorization.
 - 4. Changes in Child custody arrangement
 - 5. Any out of state change in address
 - 6. Any change or cessation of a Parent’s work, training, or education participation that lasts for more than 12 weeks.

3.3.2 What to do for each kind of Temporary Change *(Updated as of July 2020)*

For all Temporary Changes please follow the instructions below for each kind of change. A Parent shall not be required to provide documentation or complete the Temporary Change process in person. Unless the form is listed as a required document below, Parent shall **not** be required to sign any additional forms, including the voucher. Subsidy Administrator shall note that all signatures are on file. If a Parent Fee has changed, please refer to Procedures Manual Chapter 3.1.3 for Parent signature requirements.

- A. **Parent's time limited absence from an approved activity due to an illness or need to care for a Family member:**
1. Documentation Required:
 - a. Completed Temporary Change Form. Parents **do not** have to complete a Special Need of Parent form. A Parent may complete the Temporary Change Form at Authorization/Reauthorization if dates are known (such as for an upcoming maternity/paternity leave).
 - b. Any reduction in income requires the documentation listed in Policy Guide Chapter 11.5 in order to process a reduction in Parent Fees.
 2. Subsidy Administrator Action: Subsidy Administrators shall follow the Temporary Change process in CCFA to enter a new sub-authorization. Service Need shall be the related Temporary Change Service Code listed below, and the income must be updated to reflect documentation provided by the Parent:
 - a. "Family Leave"
 - b. "Maternity/Paternity Leave";
 - c. "Parent Medical Leave"; or
 - d. "Other Break".
- B. **Any interruption in work for a seasonal worker who is not working between regular industry work seasons**
1. Documentation Required:
 - a. Completed Temporary Change Form.
 - b. Any reduction in income requires the documentation listed in Policy Guide Chapter 11.5 in order to process a reduction in Parent Fees.
 2. Subsidy Administrator Action: Subsidy Administrators shall follow the Temporary Change process in CCFA to enter a new sub-authorization. Service Need shall be the Service Code "Temporary Change – Seasonal" and income must be updated to reflect documentation provided by the Parent.
- C. **Any semester or holiday break for a Parent participating in education or training.**
1. Documentation Required:
 - a. No documentation required at time of reporting.
 - b. A Parent will have to provide documentation at the next Reauthorization that the Parent returned to the education/training program following the break.
 2. Subsidy Administrator Action: Subsidy Administrators shall not make any changes to the Authorization in CCFA.
- D. **Any reduction in work, training, or education hours, as long as the Parent is still working or attending training/education:**

1. Documentation Required:
 - a. Completed Temporary Change Form.
 - b. Any reduction in income requires the documentation listed in Policy Guide Chapter 11.5 in order to process a reduction in Parent Fees.
 2. Subsidy Administrator Action: Subsidy Administrators shall follow the Temporary Change process in CCFA to enter a new sub-authorization. Subsidy Administrator must enter the service need and accurate number of hours and update the income to reflect documentation provided by the Parent. CCFA will automatically keep child care at the same level authorized at the start of the 12 month Authorization.
 - a. If a Parent reports change in hours but does not provide documentation of the reduced income, the new service hours may be entered but Parent Fee shall not be reduced until documentation is provided.
- E. Any cessation of a Parent’s approved activity due to the COVID-19 pandemic**
1. Documentation Required:
 - a. Completed Temporary Change Form.
 - b. Any reduction in income requires the documentation listed in Policy Guide Chapter 11.5 in order to process a reduction in Parent Fees.
 2. Subsidy Administrator Action: Subsidy Administrators shall follow the Temporary Change process in CCFA to enter a new sub-authorization. Service Need shall be the Service Code “Temporary Change – COVID Related” and income must be updated to reflect documentation provided by the Parent.
- F. Any other cessation of a Parent’s approved activity that does not exceed 12 weeks:**
1. Documentation Required:
 - a. To Process Change:
 - i. Signed Temporary Change Form **AND** preliminary documentation of new service need (i.e. EVF, hire letter, enrollment documentation).
 - ii. Any reduction in income requires the documentation listed in Policy Guide Chapter 11.5 in order to process a reduction in Parent Fees.
 - b. A Parent must be informed that they will have to present documentation at next Reauthorization to show that the break in service need was less than 12 weeks. Subsidy Administrators shall advise Parents that they may wish to obtain that documentation (such as last day of work letter) immediately following the change in service need. If a Parent fails to submit this documentation at Reauthorization, the Reauthorization is not considered complete and the Parent must be issued a Notice of Denial.
 2. Subsidy Administrator Action: While this is considered a Temporary Change, it is captured as a Non-Temporary Change in CCFA. Subsidy Administrators shall follow the Non-Temporary Change process in CCFA to enter a new sub-authorization. Subsidy Administrator must enter the new service need, including new number of service hours, and update the income to reflect documentation provided by the Parent.
- G. Any change of residency within the Commonwealth:**
1. Documentation Required: See Change in Contact Information below

2. Subsidy Administrator Action: See Change in Contact Information below

3.3.3 What to do for each kind of Non-Temporary Change *(Updated as of September 2021)*

For all Non-Temporary Changes please follow the instructions below for each kind of change. A Parent shall not be required to provide documentation or complete Non-Temporary Change process in person. Unless the form is listed as a required document below, or unless there are specific signature instructions detailed below, a Parent shall not be required to sign any additional forms, including the voucher. Subsidy Administrator shall note that all signatures are on file. If a Parent Fee has changed, please refer to Procedures Manual Chapter 3.1.3 for Parent signature requirements.

A. **Increases in total gross household income exceeding 85% SMI:**

1. Parents shall be given documentation of the 85% SMI limit for their household size at initial Authorization and shall be told of reporting requirements.
2. Documentation Required: When reporting the change in income that the Parent thinks may be over 85% SMI, the Parent shall submit:
 - a. Paystubs or other proof of income, and
 - b. Completed Household Income Statement.
3. Subsidy Administrator Action:
 - a. Upon receiving documentation of income change, Subsidy Administrator shall confirm that the income is over 85% SMI based on the current SMI chart.
 - b. If income is confirmed over 85% SMI, Subsidy Administrator shall:
 - i. Follow the Non-Temporary Change process in CCFA to enter a new sub-authorization with the new income.
 - ii. The Subsidy Administrator shall advise the Parent that if the income remains above 85% SMI at the subsequent Reauthorization, the Parent will no longer be eligible for subsidized child care.
 - c. If income is equal to or under 85% SMI, please reference Chapter 11.5 to evaluate if the Parent Fee will change as a result of the increased income.

B. **Changes in Family contact information:**

1. Documentation Required: Parent must submit a completed Parent Contact Information Form.
2. Subsidy Administrator Action: Once a Parent has reported a change, the Subsidy Administrator must update information in CCFA, even if the Subsidy Administrator has not received the completed Parent Contact Information Form.

C. **Changes in household composition for more than 30 total days in a 12 month Authorization:**

1. Documentation Required to ADD a person to the household, the Parent must provide all of the following documents:
 - a. New Household Composition Form;
 - b. Relationship documentation as required under Chapter 3.3; and

- c. If the new household member would be required under Chapter 4 of the Financial Assistance Policy Guide to report income and service need, documentation must be provided by the Parent(s), including an updated Household Income Statement.
2. Documentation Required to REMOVE a person from the household:
- a. To remove a Child from the household, the Parent must provide the following:
 - i. Custody documentation that shows change in custody; or
 - ii. If custody documentation is not available, self-reporting of removal of Child may be accepted in the form of a new, signed Household Composition Statement.
 - b. To remove a foster Child from the household, the Parent must provide the following:
 - i. Email from DCF showing Child has been placed elsewhere; or
 - ii. If DCF documentation is not available, self-reporting of removal of foster Child may be accepted in the form of a new Household Composition Statement.
 - c. To remove a Dependent Relative or Child over the age 18, the Parent must provide the following:
 - i. A new, signed Household Composition Statement to self-report the change.
 - d. To remove a second Parent, the Primary Parent must provide one of the following documents. Any item not listed below **must** be approved by EEC:
 - i. Proof of residency for second Parent that meets the guidelines in Policy Guide Chapter 3.3;
 - ii. Documentation of domestic violence, including a police report and/or restraining order;
 - iii. Documentation of legal separation (unless documentation shows both living at the same address); or
 - iv. Documentation of filing for divorce (unless documentation shows both living at the same address).
3. Subsidy Administrator Action:
- a. Upon reporting change in household composition and receiving all required documentation, Subsidy Administrator shall update household members in CCFA.
 - b. The Subsidy Administrator shall then follow the Non-Temporary Change process in CCFA to enter a new sub-authorization with any income and service need information that has changed. Any Parent Fee changes will automatically recalculate based on the new household size.
 - c. Make note of the change in Parent's case notes and keep all documentation submitted in the Family's subsidy file.
 - d. Inform the Parent that child care will continue at authorized level until the end of the current 12 month Authorization. If the addition of the new household member could potentially affect the Parent's eligibility at Reauthorization, such as a second Parent who isn't working or if the household income is above 85% SMI,

the Family should be told and counseled that the household may not be eligible at Reauthorization;

D. Change in Custody Arrangements:

1. Documentation Needed: Custody documentation or DCF Referral showing change in custody.
2. Subsidy Administrator Actions: **In all situations, the Subsidy Administrator must ensure that no Child or Parent is duplicated in CCFA as a part of this process. Additionally, in all situations, the Child must be MOVED to a new household. The Subsidy Administrator shall not add a new Parent to an existing household and deactivate the existing Parent.**
 - a. **Child Enrolled in DCF Referred Child Care Contract or Voucher**: Upon receipt of a new Referral from DCF listing the new Caregiver, the Subsidy Administrator shall:
 - i. To ensure continuity of care for the Child during this transition, the Subsidy Administrator will end the Child's current Authorization and placement in CCFA and move Child's PID to the new Caregiver's household. An Authorization will be entered into the new Caregiver's household for the remainder of the original 12 month period. Child care should not be interrupted while this process is occurring.
 - ii. Subsidy Administrator will contact the new Caregiver so that the Caregiver can present a photo ID as required in Chapter 6. It is the Subsidy Administrator's responsibility to ensure that the file is complete with all required documentation. DCF Social Worker, Supervisor, and Child Care Coordinator shall be informed if the new Caregiver is not complying with documentation requirements.
 - b. **Child Enrolled in Other Subsidy Program (Income Eligible, DTA, Homeless, Teen/Young Parent) Where Child is Under the Care of a New Parent/Guardian**:
 - i. Subsidy Administrator will end Child's current Authorization and placement in CCFA and move Child's PID to the new Parent's household.
 - ii. Child may be eligible for child care at the same level of care for the remainder of the original 12 month period, regardless of the new Parent's eligibility. If a Child was Authorized through DTA, Homeless, or Teen/Young Parent, the new Authorization must be changed to Income Eligible.
 - a. If the new Parent already has an Income Eligible Authorization, the Child is added to the existing Authorization to maintain one Authorization end date for the new Parent.
 - b. If the Child is not a Guardian Child (i.e. new Parent is biological Parent or stepparent), Child is added to the existing Authorization in the same process as a sibling is added. Please reference Policy Guide Chapter 11.5 to evaluate if Parent Fee will change as a result of the new household member.

- c. If the Child is a Guardian Child, a dual household must be created in CCFA. Both the Caregiver and Child's PID shall be **moved** to the dual household with the relationship kept to the original household. The Caregiver's original Authorization is recreated in the dual household with the same end date. This will allow for no Parent Fee on the Guardian Child. Please reference Policy Guide Chapter 11.5 to evaluate if Parent Fee will change as a result of the new household member.
- d. New Parent does not have an existing Authorization:
 - i. If the new Parent's documentation confirms eligibility at the same or higher level of care, the new Parent is assessed for a full 12 month Authorization in accordance with Policy Guide Chapter 4. Parent Fee is established as a part of the Authorization process.
 - ii. If the new Parent's documentation would result in a decrease in care, an Authorization shall be entered in the new Parent's household that is at the same level of care as the Child had been receiving. The end date for this Authorization is the Child's original end date. Please reference Policy Guide Chapter 11.5 to evaluate if the Parent Fee will change as a result of the new household member.
- c. **Child Enrolled in Other Subsidy Program (Income Eligible, DTA, Homeless, Teen) Where Child is In a New Shared Custody Arrangement:**
 - i. Subsidy Administrator will collect documentation of the shared custody arrangement and keep on file.
 - ii. No changes will be made to Child's Authorization under the original Parent until the next Reauthorization. However, changes in the Child's placement schedule may need to be changed if requested.
 - iii. If the shared custody arrangement remains in place at subsequent Reauthorization, both Parents shall be assessed for eligibility and the Child's PID shall be shared between the two households.
- E. **Any Out of State Change in Address:**
 - 1. Documentation Required: Parent must submit a completed Parent Contact Information Form.
 - 2. Subsidy Administrator Actions:
 - a. If Parent reports, or the Subsidy Administrator discovers, that the Family has moved out of the Commonwealth of Massachusetts, a Notice of Termination is issued in accordance with Policy Guide Chapter 13.
 - b. A Subsidy Administrator shall not wait until a Parent's submission of a new Parent Contact Information Form to issue a Notice of Termination.
- F. **Any change or cessation of a Parent's work, training, or education participation that has been deemed a Non-Temporary Change:**
 - 1. Documentation Required:

- a. If a Parent is leaving a place of employment, the Parent must provide one of the following:
 - i. Last day of work letter on the prior employer's letterhead and signed by the prior employer. The Subsidy Administrator must contact the employer to confirm accuracy of the letter.
 - ii. If a last day of work letter is not available, the Parent may present his/her last paystub. The Subsidy Administrator must then verbally confirm with the prior employer the last day of work.
 - a. If Subsidy Administrator is unable to obtain verbal confirmation of the last day of work, the Parent shall submit the W2 for that employment at next Reauthorization to prove that the paystub was the final paystub.
 - iii. If neither of the first two options can be completed, an Employer Certification of Last Day of Employment form(s) may be filled out and signed by the employer. The Subsidy Administrator must contact the employer to confirm accuracy of the form.
 - iv. If none of the above options can be completed, a Parent Certification of Last Day of Employment form(s) may be filled out by the Parent confirming the last day of work. Subsidy Administrator must attempt to contact the employer and must sign the form to either verify contact or to confirm that the employer could not be reached. The Parent will be informed that tax information (tax return, Record of Account tax transcript, and W2 forms) shall be required at next Reauthorization to document change of employment.
 - b. If a Parent is ending an education/training program, the Parent must provide one of the following:
 - i. Transcript, or other documentation (such as Certificate, etc.), showing completion of coursework;
 - ii. Transcript or other documentation showing withdrawal from coursework; or Letter from education/training program, on program letterhead, documenting the date the Parent un-enrolled.
 - iii. If the Parent is not able to get the above documentation because of a hold by the education/training program, the Parent must resolve the hold and obtain the documentation.
 - iv. The Subsidy Administrator must call the education/training program to confirm the accuracy of any documentation provided
2. Subsidy Administrator Actions:
- a. The Subsidy Administrator shall grant the Parent a Seeking Approved Activity Period.
 - i. The Seeking Approved Activity Period shall take effect the day after the Parent reports the change **and** provides documentation.

- ii. The Seeking Approved Activity Period is limited to 26 weeks or the end of the Parent's 12 month Authorization, whichever is sooner.
- b. Subsidy Administrators must ensure that Parents are notified within 45 days of their subsidy expiration date. In these instances, Subsidy Administrators must track families that will not be issued a Reauthorization letter from CCFA. Methods that can be used include, but are not limited to:
 - Using an Excel Spreadsheet;
 - Using a Tracking Folder;
 - Reviewing Expiring Placements (Tab is located on the CCFA Home Page)
 - Any other way that will ensure Parents are notified timely.
- c. The Subsidy Administrator shall then follow the Non-Temporary Change process in CCFA to enter a new sub-authorization with a service need of "Seeking Approved Activity." The sub-authorization will default to 26 weeks in length or the end date of the 12 month Authorization if sooner.
- d. At the end of the Seeking Approved Activity Period, the following shall occur:
 - i. If the Parent provides full documentation of a service need as required under Policy Guide Chapter 4.3, the Subsidy Administrator shall then follow the Non-Temporary Change process in CCFA to enter a new sub-authorization with the new service need and income information. The end date of this sub-authorization will be the end date of the 12 month Authorization.
 - ii. If the Parent presents preliminary documentation of a service need at the end of the Provisional 26 week period, the Parent may be Authorized for an additional [Seeking Approved Activity Period](#) to complete the required eligibility documentation. [The end date will be either 26 weeks later or the end of the Parent's 12 month authorization, whichever is sooner.](#)
 - iii. The Subsidy Administrator shall then follow the Non-Temporary Change process in CCFA to enter a new sub-authorization with the new service need and income information.
 - iv. If the Parent does not present full documentation of a service need at the end of the Seeking Approved Activity period, [the parent may request and be granted an additional Seeking Approved Activity time due to the COVID pandemic. The end date will be either 26 weeks later or the end of the Parent's 12 month authorization, whichever is sooner.](#)
- e. Please reference Policy Guide Chapter 11.5 to evaluate if a Parent Fee will change as a result of the change in service need.

CHAPTER 4

Income Eligible Program Requirements

(Updated as of September 2021)

4.1 Financial Eligibility *(Updated as of September 2021)*

4.1.1 Income Calculations *(Updated as of September 2021)*

A. **Paystubs** - Steps listed below explain how the monthly amount is calculated for informational purposes only. All amounts should be entered in CCFA with the correct frequency to allow CCFA to calculate the correct monthly amount.

1. **Gross Monthly Income if paid WEEKLY:**

Step 1: Add pay stubs (4 pay stubs out of most recent 6 week period)

Example:	Pay Stub #1	Pay Stub#2	Pay Stub#3	Pay Stub#4	Total of Paystubs			
\$750.00	+	\$800.00	+	\$750.00	+	\$800.00	=	\$3,100.00

Step 2: Divide total by 4 in order to get the average weekly income

Example: $\$3,100.00 \div 4 = \775.00

Step 3: Multiply by 4.33 in order to get the gross monthly income

Example: $\$775.00 \times 4.33 = \$3,355.75$

If all weekly pay stubs are exactly the same, you take ONE gross weekly pay stub and multiply by 4.33 (EEC multiplies by 4.33 because there are additional pay periods through the course of a calendar year)

2. **Gross Monthly Income if paid BI-WEEKLY:**

Step 1: Add pay stubs (2 pay stubs out of most recent 6 week period)

Example:	Pay Stub #1	Pay Stub #2	Total
\$1,500.00	+	\$1,550.00	= \$3,050.00

Step 2: Divide total by 2 in order to get the average bi-weekly income

Example: $\$3,050.00 \div 2 = \$1,525.00$

Step 3: Multiply by 2.17 in order to get the gross monthly income

Example: $\$1,525.00 \times 2.17 = \$3,309.25$

If all bi-weekly pay stubs are exactly the same, you take ONE gross bi-weekly pay stub and multiply by 2.17 (EEC multiplies by 2.17 because there are additional pay periods through the course of a calendar year)

3. **Gross Monthly Income if paid BI-MONTHLY (paid twice a month – on the same dates each month):**

Step 1: Add pay stubs (2 pay stubs out of most recent 6 week period)

Example:	Pay Stub #1	Pay Stub #2	Total Gross Monthly Income
\$1,250.00	+	\$1,550.00	= \$2,800.00

B. **Lump Sum Payment: Only payments received within the last 4 weeks prior to Authorization/Reauthorization should be counted towards a Family's income.** These

payments include, but not limited to, bonuses, commission, lottery winnings, or overtime.

1. Documentation Required:

- a. Paystubs, Payroll registers, or
- b. Lottery or other type of Commission statements; or
- c. Self-declaration by the Parent on the Household Income Statement.

2. Calculation of Lump Sum Payment:

- a. In those cases, we take the amount received, divide it by 12 to calculate a monthly amount.
 - i. If a Parent is being granted a Provisional Authorization, lump sum payment is still divided by 12 to calculate a monthly amount. **The same amount would be included again when the parent is granted a full 12-month authorization.** Additional documentation does not need to be collected.

For example: Lump sum of \$1,500 is received at the start of the Authorization, that amount is divided by 12 and included in the Parent's monthly income. \$1500 divided by 12 months = \$125 per month.

4.1.2 Minimum Wage *(Updated as of July 2020)*

Under EEC regulations, eligible paid employment is a position that pays no less than the minimum wage in the state wherein the employment takes place. Subsidy Administrators must confirm that a Parent is making minimum wage as part of a review of Income Documentation.

- A. Parent receives pay stubs: the Subsidy Administrator must ensure that the Parent is receiving minimum wage based on the dates of employment covered by the paystub.
 1. Example: A paystub presented in January 2020 for employment that occurred in December 2019 may show \$12 per hour.
 2. Example B: A paystub presented in January 2020 for employment occurred in January 2020, the minimum wage must be \$12.75 per hour. If the Parent's minimum wage was not increased, the Parent must be directed back to the employer. The Subsidy Administrator may also direct the Parent to the Attorney General's Fair Labor Division.
- B. Parent is paid in cash or personal check: The total value of the cash or personal check must be divided by the minimum wage to get the number of service hours.
 1. Example: A Parent is paid by personal check \$300 for 30 hours of work. However, that would mean that the parent is paid below minimum wage. Therefore, the value of the check must be divided by the minimum wage and equals 23 hours for a service need.
- C. Tipped Employees: Tipped employees must have paystubs that show the full minimum wage when tips and wages are combined.

- D. Example: A weekly paystub from employment in a restaurant in June 2020 shows 30 hours at the tipped employee rate of \$4.95 per hour for a total of \$148.50. The paystub also shows \$234 in tips. \$148.50 plus \$234 equals \$382.50 which when divided by the 30 hours equals the minimum wage of \$12.75.
- E. Parent is Self-Employed – see Self-Employment at Procedures Manual Appendix A

4.1.3 Calculating Child Support

- A. **Consistent Child Support:** - If Parent receives regular child support payments on a consistent basis, the following guidelines should be followed.
 - 1. Documentation Required:
 - a. For Child Support through the Department of Revenue’s (DOR) Child Support Enforcement Division:
 - i. A print out from DOR system showing amount awarded; AND
 - ii. A print out from DOR system showing payments.
 - b. If the child support payment is not through DOR, the Parent may provide:
 - i. Court documentation showing child support arrangement;
 - ii. Informal documentation showing child support arrangement; or
 - iii. Self-declaration by the Parent on the Household Income Statement.
 - 2. Calculation of Child Support Payments: Follow the steps detailed in 4.1.1 and calculate the same way that you would for weekly, bi-weekly, or monthly pay stubs.
 - a. **Note:** Steps listed in 4.1.1 explain how the monthly amount is calculated for informational purposes only. All amounts should be entered in CCFA with the correct frequency to allow CCFA to calculate the correct monthly amount.
- B. **Inconsistent Child Support** – this is the process that should be used when a Parent receives payments on an irregular basis.
 - 1. Documentation Required:
 - a. For Child Support through DOR:
 - i. A print out from DOR system showing amount awarded; AND
 - ii. A print out from the DOR’s system showing payments.
 - b. For Self-Declaration, Parent must complete the Household Income Statement with an estimate of the average received per month.
 - 2. Calculation of Child Support Payments:
 - a. For DOR Statement:
 - i. No matter how often a Parent is supposed to receive payments, all inconsistent child support payments shall be calculated the same way. The Subsidy Administrator shall look at the last four weeks (from Authorization/Reauthorization date), add all values received together, and divide by 4 to calculate a weekly amount. Amount will then be multiplied by 4.33 to get a monthly amount.
 - a. Note: Calculated weekly amount should be entered in CCFA as weekly and CCFA will multiply by 4.33 to calculate the correct monthly amount.

- b. *Example 1:* In February, Parent A received payments of \$120 on 2/11/19; \$75 on 2/25/19; and \$60 on 2/27/19. Values are added together for a total of \$255. \$255 is divided by 4 to equal \$63.75. \$63.75 shall be entered into CCFA as a weekly amount.
 - c. *Example 2:* In October, Parent B received payments of \$350 on 10/12/18 and \$50 on 10/26/18. Values are added together for a total of \$400. \$400 is divided by 4 to equal \$100. \$100 shall be entered into CCFA as a weekly amount.
 - b. For Self-Declaration: Treat the amount listed on the Household Income Statement the same way you would any monthly payment.
- C. **Informal, In-kind, or Self-Declared:**
 - 1. Documentation Required:
 - a. Informal documentation showing child support arrangement; or
 - b. Self-declaration by the Parent on the Household Income Statement.
 - 2. Calculation of Child Support Payments: Follow the steps detailed in 4.1.1 and calculate the same way that you would for weekly, bi-weekly, or monthly pay stubs.
 - a. **Note:** Steps listed in 4.1.1 explain how the monthly amount is calculated for informational purposes only. All amounts should be entered in CCFA with the correct frequency to allow CCFA to calculate the correct monthly amount.
- D. **Lump Sum Payment: Only payments received within the last 4 weeks prior to Authorization/Reauthorization should be counted towards a Family's income.**
 - 1. Documentation Required:
 - a. A print out from the DOR's Child Support Enforcement Division;
 - b. Court documentation showing lump sum payment;
 - c. Informal documentation showing lump sum payment; or
 - d. Self-declaration by the Parent on the Household Income Statement.
 - 2. Calculation of Child Support Payments:
 - a. In those cases, we take the amount received, divide it by 12 to calculate a monthly amount.
 - i. If a Parent is being granted a Provisional Authorization, lump sum payment is still divided by 12 to calculate a monthly amount. **The same amount would be included again when the parent is granted a full 12-month authorization.** Additional documentation does not need to be collected.
 - b. *For example:* Lump sum of \$1,500 is received at the start of the Authorization, that amount is divided by 12 and included in the Parent's monthly income. For example, \$1500 divided by 12 months = \$125 per month.
- E. **Arrears:** Parent's may receive arrears from past due child support. In most cases, the arrears are included in the regular child support payments and must be included in the value calculated under "Consistent Child Support" above. If the arrears is received as a lump sum, Subsidy Administrator must follow the steps listed above under "Lump Sum Payment".

4.1.4 Assets

- A. To certify that assets are below \$1 million dollars Families must affirm in writing by signing the relevant portion of the Household Income Statement.
- B. Documentation does not need to be collected on the value of assets as the certification on this form is sufficient.
- C. Asset limit applies to all households, including those headed by Caregivers.
- D. Any Family certifying that they possess \$1 million or more in assets shall be denied child care financial assistance.

4.2 Income Miscalculation (Updated as of July 2020)

To mitigate income miscalculation errors and/or recoupment, Subsidy Administrators must implement a review procedure (i.e., a two-person review process) for all files to ensure compliance with all of EEC's regulations. If a Subsidy Administrator calculates a Parent's income incorrectly, this is considered a Provider Improper Payment and will need to be corrected.

- A. There are two types of Income Miscalculation errors:
 - 1. When the Parent's income is understated, Subsidy Administrators are responsible for the recoupment value for the entire Authorization as this error results in an overpayment. Reimbursement is due to EEC.
 - 2. When the Parent's income is overstated, Subsidy Administrators are responsible for the recoupment value for the entire Authorization as this error results in an underpayment. Reimbursement is due to the Parent.
- B. CCFA Adjustments
 - 1. If the fix occurs within 14 calendar Days of the start of the Authorization, then the provider can "edit" the Authorization and make the appropriate changes to the income.
 - a. If the Parent Fee increases, then the Parent must sign a new Application and Fee Agreement and will begin to make payments at the new level 14 calendar days after the fix.
 - b. If the Parent Fee decreases, then the Parent will begin paying the new Parent Fee immediately. The Parent must also be reimbursed for any fees collected at the higher rate.
 - 2. If the fix occurs outside the 14-day window, then the provider needs to void the placement(s), delete the Authorization, re-create the Authorization with the correct income, and submit a help desk ticket requesting an override of the Authorization.
 - a. If the Parent Fee increases, then the Parent must sign a new Application and Fee Agreement and will begin to make payments at the new level 14 calendar days after the fix.

- b. If the Parent Fee decreases, then the Parent will begin paying the new Parent Fee immediately. The Parent must also be reimbursed for any fees collected at the higher rate.

4.4 Required Documents for Subsidy File *(Updated as of July 2020)*

For a list of acceptable documents for each document type, please refer to the document type’s specific Policy Guide Chapter. Any item listed as “Recommended” should be collected from, or provided to, a Parent if possible. An Authorization or Reauthorization **shall not** be denied for a Parent failing to submit or sign a “Recommended” item.

Document Type	Income Eligible Initial Authorization	Income Eligible Reauthorization
<i>Foundational Documentation</i>		
Picture ID	X <i>(if not already on file)</i>	<i>Maintain in file from initial</i>
MA Residency Documentation	X	X <i>(Parent may also submit Residency Confirmation Form)</i>
Relationship Documentation (birth certificates, etc.)	X	<i>Maintain in file from initial</i>
Social Security Card	<i>Recommended</i>	<i>Maintain in file from initial</i>
Child Citizenship/Immigration Documentation	X	<i>Maintain in file from initial</i>
<i>Authorization Specific Documentation</i>		
Referral		
Service Need Documentation	X	X
Income Documentation	X	X
<i>Required Forms</i>		
Application & Fee Agreement	X	X
Voucher	<i>Keep unsigned copy on file</i>	<i>Keep unsigned copy on file</i>
Financial Assistance Agreement	X	X
Household Composition Statement	X	X
Household Income Statement	X	X
Parent Contact Information Form	<i>Recommended</i>	<i>Recommended</i>
Parent Information Brochure	<i>Recommended</i>	<i>Recommended</i>
SMI Calculation Worksheet	<i>Recommended</i>	<i>Recommended</i>

CHAPTER 5

Reauthorization

Please see Policy Guide Chapter 5 for details.

CHAPTER 6 Department of Transitional Assistance (DTA) Related Child Care Program Requirements *(Updated as of July 2020)*

6.1 Referrals *(Updated as of July 2020)*

6.1.1 DTA-Related Child Care Referrals *(Updated as of July 2020)*

Referrals from DTA are required for Parents to obtain prioritized access to child care. DTA-Related child care is available to Parents who currently receive TAFDC cash assistance, participate in the employment services program, and receive a Referral from DTA. Guidelines for DTA-Related Referrals are as follows:

- A. Referrals issued by DTA will be valid for 90 Days from the date of issue.
 1. Parents must complete the process with the CCRR to issue a voucher prior to the end of the 90 Day period.
 2. Prior to denying a Parent who has an expired Referral, the CCRR shall make every effort to contact the DTA Office to confirm if the Parent remains eligible for the Referral.
- B. How to use information on the Referral:
 1. CCRR shall check CCFA to see if Parents or Children exist in a current FID.
 - a. If an existing FID does not have all Family members, the CCRR shall add any members (but ensure that they **move** PIDs if that person already exists in CCFA). If the Family exists in CCFA, the CCRR must update all information, including adding any Social Security Numbers listed on the Referral that are not in CCFA.
 - b. If Parents or Children do not exist in CCFA, CCRR shall add the Family ensuring that all information listed on the Referral is included in CCFA.
 - c. In all circumstances, the CCRR must ensure that all household information is complete, accurate, and updated as needed.
 2. The APID number is now the “Referral number” to be entered accurately into CCFA. If there are two Parents listed on the Referral, the APID for Parent/Caregiver 1 should be used as the Referral number.
 3. When entering the Referral, CCRRs shall also enter the DTA area office.
 4. Start dates for the Referral in CCFA should tie to the start date of care and the end date shall be the appropriate length of time based on the activity (see examples below).
 - a. For Example: CCRR receives a Referral on 3/1/2019. Parent meets with CCRR on 3/5/2019 and says that child care is going to begin on 3/11/2019. Referral start date entered in CCFA shall be 3/11/2019.
 5. Referral End Dates and Authorization length shall be determined by the Activity Information Listed:

- a. A Referral that lists Seeking Activity/Employment Planning as the Activity shall be used to issue a 26 week Authorization.
- b. A Referral that lists Approved ESP Activity as the Activity shall be used to issue a 12 month Authorization.
- c. For all DTA-Related child care Authorizations, the end date shall be 26 weeks or 12 months from the start date in care.
 - i. *Example:* CCRR receives a Referral on 8/1/2020 for Seeking Activity/Employment Planning. Parent meets with CCRR on 8/5/2020 and says that child care is going to begin on 8/10/2020. Authorization start date entered in CCFA shall be 8/10/2020 and the end date shall be 2/7/2021.
 - ii. *Example:* CCRR receives a Referral on 8/1/2020 for Approved ESP Activity. Parent meets with CCRR on 8/5/2020 and says that child care is going to begin on 8/10/2020. Authorization start date entered in CCFA shall be 8/10/2020 and the end date shall be 8/9/2021.

6.1.2 DTA-Transitional Child Care Referrals *(Updated as of July 2020)*

DTA-Transitional Referrals are required for Parents who have not been receiving DTA Related Child Care at the time of case closure to obtain prioritized access to child care. Guidelines for DTA-Transitional Referrals are as follows.

- A. DTA may issue DTA-Transitional Referrals up to one year from the case closure date. Referrals issued by DTA will be valid for 90 days from the date of issue, even if the 90 days is more than one year after the Parent's TAFDC case closed.
 1. Parents must complete the process with the CCRR to issue a voucher prior to the end of the 90 day period. If the completion of the process is within the 90 day limit but is more than one year after the case closure date, the Authorization shall be entered into CCFA as DTA Post-Transitional.
 2. Prior to denying a Parent who has an expired Referral, the CCRR shall make every effort to contact the DTA Office to confirm if the Parent remains eligible for the Referral.
- B. In addition to the Referral, Parent(s) must submit documentation and meet the requirements detailed in Policy Guide Chapters 6.1 and 6.2.
- C. How to use information on the Referral:
 1. CCRR shall check CCFA to see if Parents or Children exist in a current FID.
 - a. If an existing FID does not have all Family members, the CCRR shall add any members (but ensure that they **move** PIDs if that person already exists in CCFA). If the Family exists in CCFA, the CCRR must update all information, including adding any Social Security Numbers listed on the Referral that are not in CCFA.
 - b. If Parents or Children do not exist in CCFA, CCRR shall add the Family ensuring that all information listed on the Referral is included in CCFA.

- c. In all circumstances, the CCRR must ensure that all household information is complete, accurate, and updated as needed.
- 2. The APID number is now the “Referral number” to be entered accurately into CCFA. If there are two Parents listed on the Referral, the APID for Parent/Caregiver 1 should be used as the Referral number.
- 3. When entering the Referral, CCRRs shall also enter the DTA area office.
- 4. Start dates for the Referral in CCFA should tie to the start date of care and the end date shall be one year from the case closure date.

6.2 How to split Authorizations between DTA-Transitional, DTA Post-Transitional, and Income Eligible *(Updated as of July 2020)*

6.2.1 TAFDC Case closes during a DTA-Related Child Care Authorization *(Updated as of July 2020)*

- A. If a Parent’s TAFDC case closes in the middle of a DTA-Related Child Care Authorization, the Parent will not be required to Reauthorize for DTA-Transitional Child Care until the end of the Authorization.
 - 1. *Example:* A Parent is Authorized for DTA-Related child care from 5/1/2019 to 4/30/2020. Parent’s TAFDC case closes 12/1/2019. The Parent will be allowed to continue on the DTA-Related Child Care Authorization until 4/30/2020. The Parent must Reauthorize in full as DTA-Transitional prior to 4/30/2020.
- B. CCRRs shall not make any edits to the DTA-Related Child Care Authorization in CCFA.
- C. DTA will send notice of TAFDC case closure and the DTA-Transitional Referral to the CCRR at the time of case closure. CCRRs will keep this notice and Referral in the Parent(s) file. At the Parent’s next Reauthorization, the CCRR will use the original notice and Referral on file and not require the Parent to submit further documentation from DTA.

6.2.2 When a 12-month Authorization is split between DTA-Transitional Child Care and DTA Post-Transitional Child Care:

- A. If a Parent is assessed for Transitional Child Care with less than 12 months from the TAFDC case closure date, the Parent is still entitled to be authorized for 12 months of child care.
- B. The 12 month child care Authorization shall be split as Transitional Child Care for part of the year and Post-Transitional Child Care for the remainder of the year.
 - 1. *Example:* A Parent is Authorized for DTA-Related child care from 5/1/2019 to 4/30/2020. Parent’s TAFDC case closes 12/1/2019. The Parent will be allowed to continue on the DTA-Related Child Care Authorization until 4/30/2020. The Parent is Reauthorized as Transitional from 5/1/2020 to 11/30/2020 and Post-Transitional from 12/1/2020 to 4/30/2021 for a full 12 months of child care.

- C. In CCFA, the DTA-Transitional and DTA Post-Transitional shall be entered at the same time using the same income and service need information.
 - 1. CCRRs will enter one Master Authorization and CCFA will automatically create a sub-authorization for DTA-Transitional with the correct end date based on the Referral entry.
 - 2. The CCRR must then enter a Non-Temporary Change sub-authorization for the DTA Post-Transitional period.

6.2.3 When a 12-month Authorization is split between DTA Post-Transitional Child Care and Income Eligible Child Care:

- A. If a Parent's Post-Transitional Authorization was split as detailed in the example above under 6.2.2, the Parent is still entitled to be authorized for 12 months of child care.
- B. The 12 month child care Authorization shall be split as Post-Transitional Child Care for part of the year and Income Eligible Child Care for the remainder of the year.
 - 1. *Example:* The Parent is Authorized for DTA-Related child care from 5/1/2019 to 4/30/2020. The Parent's TAFDC case closes 12/1/2019. The Parent will be allowed to continue on the DTA-Related Child Care Authorization until 4/30/2020. The Parent is Reauthorized as Transitional from 5/1/2020 to 11/30/2020 and Post-Transitional from 12/1/2020 to 4/30/2021 for a full 12 months of child care. The Parent is Reauthorized as Post-Transitional from 5/1/2021 to 11/30/2021 and Income Eligible from 12/1/2021 to 4/30/2022 for a full 12 months of child care.
- C. In CCFA, the DTA Post-Transitional and Income Eligible Authorizations shall be entered at the same time using the same income and service need information.
- D. Two separate master Authorizations must be entered into CCFA, one as DTA Post-Transitional and one as Income Eligible. CCRRs must ensure that they adjust all end dates to give the correct Authorization length.
 - 1. IE Authorization should be listed as a "Reauthorization" and not as "New."
 - 2. If a Parent later reports a Temporary or Non-Temporary Change, the CCRRs may need to update both master Authorizations.

6.3 Continuity of Care to Income Eligible Child Care

Parent(s) who are not eligible for continued DTA-Related Child Care, were not granted DTA-Transitional Child Care, or whose DTA Post-Transitional Child Care has ended may continue to receive child care financial assistance through the Income Eligible Child Care program if the Family meets the requirements described in Policy Guide Chapters 3, 4, and 5.

6.3.1 Parents who have ended DTA Post-Transitional *(Updated as of July 2020)*

- A. Parents who have completed their 12 months of DTA Post-Transitional child care may transition to Income Eligible Child Care. This transition may take place as described in Procedures Manual Chapter 6.2.3.
- B. Since a Parent in DTA Post-Transitional already had to meet the requirements of Policy Guide Chapters 4 and 5, a Parent transitioning from DTA Post-Transitional to Income Eligible shall be considered the same as any Income Eligible Parent at Reauthorization, including all limits to 26 week Provisional Authorizations detailed in Policy Guide Chapter 5.2.

6.3.2 Parents who are not eligible for continued DTA-Related Child Care or were not granted DTA-Transitional Child Care *(Updated as of July 2020)*

- A. Parents who are no longer eligible for DTA-Related Child Care or DTA-Transitional Child Care shall be treated as an Income Eligible Parent at Reauthorization for the purposes of access to a Provisional Authorization.
 - 1. If the Parent is able to confirm a valid service need, they may be issued a 12 month Authorization.
 - 2. If the Parent is unable to confirm a valid service need, they may be granted a Provisional Authorization of 26 weeks to seek and certify an approved activity.
- B. However, Parents transitioning from DTA-Related Child Care may have total household income up to 85% SMI. Therefore, when entering the Authorization in CCFA, the CCRR must code the Authorization as “Reauthorization” and not “New.”

6.4 Required Documents for Subsidy File *(Updated as of July 2020)*

For a list of acceptable documents for each document type, please refer to the document type’s specific Policy Guide Chapter. Any item listed as “Recommended” should be collected from, or provided to, a Parent if possible but an Authorization or Reauthorization **shall not** be denied for a Parent failing to submit or sign a “Recommended” item.

Document Type	DTA-Related	DTA Transitional	DTA Post-Transitional
<i>Foundational Documentation</i>			
Picture ID	<i>X (if not already on file)</i>	<i>X (if not already on file)</i>	<i>X (if not already on file)</i>
MA Residency Documentation		<i>X (Parent may also submit Residency Confirmation Form if Reauthorization)</i>	<i>X (Parent may also submit Residency Confirmation Form if Reauthorization)</i>
Relationship Documentation (birth certificates, etc.)	<i>Only for Family members not on the Referral</i>	<i>Only for Family members not on the Referral</i>	<i>Only for Family members not on the Referral</i>
Social Security Card		<i>Recommended</i>	<i>Recommended</i>
Child Citizenship/Immigration Documentation		X	X
<i>Authorization Specific Documentation</i>			
Referral	X	X	
Service Need Documentation		X	X
Income Documentation		X	X
<i>Required Forms</i>			
Application & Fee Agreement	X	X	X
Voucher	<i>Keep unsigned copy on file</i>	<i>Keep unsigned copy on file</i>	<i>Keep unsigned copy on file</i>
Financial Assistance Agreement	X	X	X
Household Composition Statement	X	X	X
Household Income Statement		X	X
Parent Contact Information Form	<i>Recommended</i>	<i>Recommended</i>	<i>Recommended</i>
Parent Information Brochure	<i>Recommended</i>	<i>Recommended</i>	<i>Recommended</i>
SMI Calculation Worksheet		<i>Recommended</i>	<i>Recommended</i>

CHAPTER 7 Department of Children and Families (DCF) Related Child Care Program Requirements *(Updated as of June 2021)*

7.1 Child Changing Provider During an Authorization

7.1.1 Child Changing Providers During a DCF-Related Authorization

- A. If the Child is moving from one contract provider umbrella agency to another, or from a contract to a voucher:
 1. DCF must issue a Referral to a Subsidy Administrator indicating that they would like the Child's care to move. The purpose of a Referral in this situation is to ensure that the new Subsidy Administrator has DCF's approval to move the Child, not to authorize a new year of child care. The new Subsidy Administrator **must** look for the Child's last placement and confirm the end date of the prior placement before establishing a start date.
 2. DCF shall give two week notice to the first Subsidy Administrator, however, the new Subsidy Administrator must confirm the end date prior to enrolling the child.
 3. The following process must be followed by both Subsidy Administrators in CCFA:
 - a. The first Subsidy Administrator shall end the Child's placement in CCFA based on the two week notice given by DCF. However, the first Subsidy Administrator must make sure to leave the Child's DCF Authorization in place with the original end date.
 - b. The new Subsidy Administrator shall use the Authorization already in CCFA to enter a new placement for the Child. The new Subsidy Administrator shall coordinate with the first Subsidy Administrator on the start and end dates to ensure that there is no overlap.
 - c. If the Child has changed Caregivers, the new Subsidy Administrator must follow the process for Change of Custody Arrangements for DCF-Related Child Care that is detailed in Procedures Manual Chapter 3.3.2.
 4. Child's Parent/Caregiver must still present photo ID to the new Subsidy Administrator prior to the start of the new placement.
 5. If requested, the first Subsidy Administrator should provide a copy of the Parent's file to the new Subsidy Administrator.
- B. If the Child is moving from one location of care to another that is under the same umbrella contract provider organization, the above process is not needed. The Contracted Child Care Educator/Provider must work with the Parent to receive agreement to change locations of care. Once the new location of care is agreed upon, the Contracted Child Care Educator/Provider must end the Child's first placement in CCFA and create a new placement at the new location of care.

- C. If the Child is on a voucher and wishes to move locations of care, the Parent must submit a Change of Provider form to the CCRR. The Parent must give notice to the first provider as required in Policy Guide Chapter 12.4. The CCRR will end the first placement and issue a voucher to the new provider.

7.1.2 Child Changing Providers During a DCF Transitional Child Care Authorization

When a Child's DCF case has closed, DCF is no longer in communication with the Family. Therefore, DCF will not be able to issue a new Referral for the Transitional Child Care to change providers. A Parent is entitled to the full 12 month Authorization of DCF Transitional, so Subsidy Administrators must complete the following steps for a Child to change Child Care Educators/Providers:

- A. The Parent will indicate a wish to change Child Care Educators/Providers (not within the same umbrella).
 - 1. Two week notice must be given to the first Subsidy Administrator by the Parent.
 - 2. If needed, the Subsidy Administrator must help the Parent who does not know a new Child Care Educators/Providers (such as in the case of geographic relocation) by referring the Parent to the relevant CCRR.
- B. The following process must be followed by both Subsidy Administrators in CCFA:
 - 1. First Subsidy Administrator shall end the Child's placement in CCFA based on the two week notice. However, the first Subsidy Administrator must make sure to leave the Child's DCF Transitional Authorization in place with the original end date.
 - 2. The new Subsidy Administrator shall use the Authorization already in CCFA to enter a new placement for the Child.
 - 3. If the Child has changed Caregivers, the new Subsidy Administrator must follow the process for Change of Custody Arrangements for DCF-Related Child Care that is detailed in Procedures Manual Chapter 3.3.2.
- C. The first Subsidy Administrator must provide a copy of the Parent's file to the new Subsidy Administrator, including a copy of the original Transitional Child Care Referral from DCF.
- D. Child's Parent/Caregiver must still present photo ID to the new Subsidy Administrator prior to the start of the new placement.

7.2 Social Worker Listed as Caregiver

There are occasions when a DCF involved Child's custody arrangement changes rapidly and a new caregiver has not been established. In such situations, Subsidy Administrators must help ensure continuity of DCF-Related Child Care while also ensuring that CCFA records the accurate Caregiver. In these situations, DCF will issue a Referral with the DCF Social Worker listed as the Caregiver.

- A. The following guidelines apply to Referrals in this situation:
 1. When the social worker is the Caregiver, his or her address will always be listed as the address of the DCF Area Office.
 2. When the social worker is the Caregiver, his or her Date of Birth will always be listed 2/29/1920 because social workers do not have to share their personal information.
 3. Subsidy Administrators shall accept the social worker's DCF issued ID as proof of identification and shall not request any other form of ID.
- B. In CCFA, the Subsidy Administrator shall follow all guidelines for Change of Custody Arrangements for DCF-Related Child Care that are detailed in Procedures Manual Chapter 3.3.2. The Subsidy Administrator must check CCFA carefully to ensure that the social worker does not already exist in an active FID.
- C. DCF will issue a new Referral with new Caregiver information as soon as the Child is in a stable placement. The Subsidy Administrator should check in with DCF if this new Referral is not sent within a few weeks.

7.3 DCF Referred Children Placed Outside the Commonwealth of Massachusetts *(New as of July 2020)*

As detailed in Policy Guide Chapter 7.1.1, certain Children placed outside the Commonwealth of Massachusetts but who are in DCF custody may be eligible for DCF-Related Child Care. The following are the Instructions for the Subsidy Administrator when completing the Authorization for a Child in this circumstance.

- A. The Subsidy Administrator must confirm that the Child is in DCF Custody, that the Child will be attending care located in the Commonwealth, and that the Child will not be transported by the Child Care Educator/Provider.
- B. If the Child is currently in care and this is a Change in Child Custody, the Subsidy Administrator must follow the requirements of Procedures Manual Chapter 3.3.3 to move the Child to a new household in CCFA. **The Subsidy Administrator must ensure that no Child or Parent is duplicated in CCFA as a part of this process.**
- C. In CCFA, a household will be created for the new Parent as follows:
 1. Physical address shall be the address of the DCF Area Office that issued the Referral.
 2. Mailing address shall be the Parent's address as listed on the DCF Referral.
- D. When DCF issues the Subsidy Administrator notice that the Child's DCF case has closed, the Subsidy Administrator must immediately issue the Parent a Notice of Termination as detailed in Policy Guide Chapter 7.1.1.

7.4 Continuity of Care to Income Eligible Child Care

Parent(s) who are not eligible for continued DCF-Related Child Care, were not granted DCF-Transitional Child Care, or whose DCF Transitional Child Care has ended may continue to receive child care financial assistance through the Income Eligible Child Care

program if the Family meets the requirements described in Policy Guide Chapters 3, 4, and 5.

- A. Parents who are no longer eligible for DCF-Related Child Care or DCF-Transitional Child Care shall be treated as an Income Eligible Parent at Reauthorization for the purposes of access to a Provisional Authorization.
 - 1. If the Parent is able to confirm a valid service need, they may be issued a 12 month Authorization.
 - 2. If the Parent is unable to confirm a valid service need, they may be granted a Provisional Authorization of 26 weeks to seek and certify an approved activity.
- B. However, Parents transitioning from DCF-Related Child Care may have total household income up to 85% SMI. Therefore, when entering the authorization in CCFA, the Subsidy Administrator must code the authorization as “Reauthorization” and not “New.”

7.5 Required Documents for Subsidy file *(Updated as of June 2021)*

For a list of acceptable documents for each document type, please refer to the document type’s specific Policy Guide Chapter. Any item listed as “Recommended” should be collected from, or provided to, a Parent if possible. An Authorization or Reauthorization **shall not** be denied for a Parent failing to submit or sign a “Recommended” item.

Document Type	DCF-Related (Only at Initial Auth.)	DCF Transitional (Only at Initial if the child has not had a DCF Auth.)
<i>Foundational Documentation</i>		
Picture ID	X (if not on file)	X (if not already on file)
MA Residency Documentation		
Relationship Documentation (birth certificates, etc)		
Social Security Card		
Child Citizenship/Immigration Documentation		
<i>Authorization Specific Documentation</i>		
Referral	X	X
Service Need Documentation		
Income Documentation		
<i>Required Forms</i>		
Application & Fee Agreement	X	X
Voucher	Keep unsigned copy on file	Keep unsigned copy on file
Financial Assistance Agreement	X	X
Household Composition Statement	Recommended	Recommended
Household Income Statement		
Parent Contact Information Form	Recommended	Recommended
Parent Information Brochure	Recommended	Recommended
SMI Calculation Worksheet		

CHAPTER 8 Young Parent Child Care Services Program Requirements *(Updated as of July 2020)*

8.1 Required Documents for Subsidy File *(Updated as of July 2020)*

For a list of acceptable documents for each type, please refer to the document type’s specific Policy Guide Chapter. Any item listed as “Recommended” should be collected from, or provided to, a Parent if possible. An Authorization or Reauthorization **shall not** be denied for a Parent failing to submit or sign a “Recommended” item.

Document Type	Young Parent Initial Authorization	Young Parent Reauthorization
<i>Foundational Documentation</i>		
Picture ID	X (if not already on file)	Maintain in file from initial
MA Residency Documentation	X	X (Parent may also submit Residency Confirmation Form)
Relationship Documentation (birth certificates, etc.)	X	Maintain in file from initial
Social Security Card	Recommended	Maintain in file from initial
Child Citizenship/Immigration Documentation	X	Maintain in file from initial
<i>Authorization Specific Documentation</i>		
Referral		
Service Need Documentation	X	X
Income Documentation	X	X
<i>Required Forms</i>		
Application & Fee Agreement	X	X
Voucher	Keep unsigned copy on file	Keep unsigned copy on file
Financial Assistance Agreement	X	X
Household Composition Statement	X	X
Household Income Statement	X	X
Parent Contact Information Form	Recommended	Recommended
Parent Information Brochure	Recommended	Recommended
SMI Calculation Worksheet	Recommended	Recommended

9.1 Certification of Homelessness

9.1.1 Documentation Requirements

For a Parent to use a service need as Homelessness, the Parent must first be certified as homeless. The following documentation is required based on the Parent's housing situation:

- A. **DHCD shelter, temporary housing at a motel/hotel, or participating in a DHCD funded homeless stabilization or diversion program:**
 - 1. Documentation Required: Homeless Referral from DHCD
- B. **DCF Funded Shelter:**
 - 1. Documentation Required: Homeless Referral from DCF
- C. **Other Shelter Program not covered above:**
 - 1. Documentation Required: Referral letter from the shelter provider/program including all the requirements of Policy Guide Chapter 9.1(C).
- D. **Subtitle VII-B of the McKinney-Vento Homeless Assistance Act**
 - 1. Documentation Required: EEC Homelessness Approval Form signed by either the CCRR or the Local Education Authority's Homeless Education Liaisons

9.1.2 Certification Under Subtitle VII-B of the McKinney-Vento Homeless Assistance Act

- A. **Family has a school age Child (even if Child is not receiving a child care subsidy):**
 - 1. The Department of Elementary and Secondary Education (DESE) has Homeless Education Liaisons for each local education authority (i.e. school district). Among other duties, these liaisons are required to ensure that homeless students in their district are identified.
 - 2. When a Parent who already has a Child enrolled in a Massachusetts public school district seeks to use homelessness as a service need, or needs the homeless certification for proof of Massachusetts residency, the Parent must provide homelessness verification from the district.
- B. **Family does not have a school age Child:**
 - 1. To assist with Families that do not have a school age Child, CCRRs are designating staff to be trained Homeless Liaisons.
 - 2. The Parent will complete the residency survey and may be certified as homeless by the CCRR Homeless Liaison, using the same process as DESE Homeless Education Liaisons.

3. The Parent must receive certification from the CCRR Homeless Liaison even if the subsidized child care will be used at an EEC Contracted Child Care Educator/Provider.
- C. The following chart details the process for Determining Homelessness Under Subtitle VII-B of the McKinney-Vento Homeless Assistance Act



9.2 Required Documents for Subsidy file *(Updated as of July 2020)*

For a list of acceptable documents for each document type, please refer to the document type's specific Policy Guide Chapter. Any item listed as "Recommended" should be collected from, or provided to, a Parent if possible. An Authorization or Reauthorization **shall not** be denied for a Parent failing to submit or sign a "Recommended" item.

Document Type	Homeless Initial Authorization	Homeless Reauthorization
<i>Foundational Documentation</i>		
Picture ID	<i>X (if not already on file)</i>	<i>Maintain in file from initial</i>
MA Residency Documentation	X	<i>X (Parent may also submit Residency Confirmation Form)</i>
Relationship Documentation (birth certificates, etc.)	X	<i>Maintain in file from initial</i>
Social Security Card	<i>Recommended</i>	<i>Maintain in file from initial</i>
Child Citizenship/Immigration Documentation	X	<i>Maintain in file from initial</i>
<i>Authorization Specific Documentation</i>		
Referral or Homeless Certification	X	<i>X (3rd consecutive year must include EEC approval)</i>
Service Need Documentation	X	X
Income Documentation	X	X
<i>Required Forms</i>		
Application & Fee Agreement	X	X
Voucher	<i>Keep unsigned copy on file</i>	<i>Keep unsigned copy on file</i>
Financial Assistance Agreement	X	X
Household Composition Statement	X	X
Household Income Statement	X	X
Parent Contact Information Form	<i>Recommended</i>	<i>Recommended</i>
Parent Information Brochure	<i>Recommended</i>	<i>Recommended</i>
SMI Calculation Worksheet	<i>Recommended</i>	<i>Recommended</i>

CHAPTER 10

Attendance and Approved

Break in Care *(Updated as of Sept. 2021)*

10.1 Attendance Guidance *(Updated as of Sept. 2021)*

10.1.1 Process for Children who are Enrolled but not Attending *(Updated as of Sept. 2021)*

As detailed in Policy Guide Appendix C, EEC will continue to pay for Children who have confirmed enrollment, even if the Child is not attending. Parents may confirm intention to remain enrolled without attending by providing written notice to the Child Care Educator/Provider. A Parent may submit a new selection in writing at any time. The following must be followed for all Children who are enrolled but not attending:

- A. The written notice that was received for each Child must be maintained on file.
- B. Subsidy Administrators must ensure that Parents are informed of all options available to meet the Family's needs, including Approved Break in Care and changes of Child Care Educator/Provider.
- C. Subsidy Administrators must ensure that Parents understand the requirements for holding enrollment.
- D. Child Care Providers/Educators must continue to keep in contact with families at least twice a month. The following guidelines should be followed:
 1. Documentation of the check-ins, such as copies of emails or case notes of calls, must be kept on file and may be requested by EEC for audit purposes.
 2. Providers must ensure that Parents know that they will be required to check in regularly as a condition of holding the child's enrollment. Providers should stress that the purpose of the call is for ongoing communication and to provide supports, not to push for a decision on a Child's return date.
 3. Providers should discuss with Parents the best method of communication (phone, text, email, mail, etc). and should focus efforts on the method that works best for each Parent.
 4. Before a Parent can be considered non-responsive, providers should try all methods of communication.
 5. If the parent continues not to engage or respond after a month of continued attempts by the provider, the placement may be terminated. Notice must be sent to the parent that the placement has been terminated for the reason of "Failure to Comply with the Policies of EEC, the Subsidy Administrator, or the Provider)". The Parent will have 60 days to return to the subsidy and request a new placement.

10.1.2 Closure Days *(Updated as of September 2021)*

- A. To allow flexibility for billing in CCFA, EEC has chosen to use the “No Transportation Day” closure code for all Days during the mandated closure period. For consistency, EEC coded in the closure day and removed access for Subsidy Administrators to edit closure Days in CCFA.
- B. To facilitate the tracking of Children who **are enrolled versus Children who are attending**, “No Transportation Day” closure codes will be entered for all Child Care Educators/Providers **as long as needed by EEC**. EEC will provide notice to Child Care Educators/Providers when this process will end.
- C. EEC will continue to restrict the entry of closure Days into CCFA during this time and Subsidy Administrators will not be allowed to enter any holidays, professional development Days, or other closure Days until a later date.
 1. Any regular holiday or professional development Day closure that occurs during this time will not have to be entered into CCFA. The Subsidy Administrator will keep information on file that the Day was a closure Day.

Example: A Family Child Care Provider is closed on July 5, 2021 for Independence Day. The FCC System that the Child Care Educator/Provider is associated with keeps a copy of the holiday closure form listing this closure for the site on file. The Day remains listed as a “No Transportation Day” closure in CCFA and attendance codes for all Children are entered as detailed in Procedures Manual Chapter 10.1.3.
 2. **For Center Based Programs, any emergency closure or unpaid closure should be entered into CCFA through the substitute care module using the appropriate code. If an approved closure, the Subsidy Administrator must keep the approval on file.**

Example: A Voucher Child Care Educator/Provider receives approval to close on September 20th through 24th due to COVID exposure . The CCRR enters the days in the Substitute Care Module as Licensing Approved Paid Closure for the Voucher Child Care Educator/Provider and keeps a copy of the approval provided by the Voucher Child Care Educator/Provider on file.
 3. **For Family Child Care Providers, COVID Emergency Closures, Paid Time Off days, and Unpaid days should be entered in CCFA by through the CCFA substitute care module by either the FCC System or CCRR, even if substitute care is not being provided.**
- D. Attendance for all Days **must** be entered as detailed in Procedures Manual 10.1.3.

10.1.3 Attendance Entry Instructions *(Updated as of September 2021)*

The following guidance must be followed for all attendance entries in CCFA **while the use of No Transportation Days is in effect** to ensure payment under the reimbursement guidelines detailed in Policy Guide Appendix C. Entry of attendance as detailed in this section will continue until further notice is provided by EEC.

- A. **Child Care Educator/Provider who is open and available to accept subsidized Children must follow the guidance on the chart below with the following conditions:**
 - 1. CCFA will default attendance to a closure code (CF0) but must be updated based on the chart.
 - 2. Transportation may be billed to EEC even if transportation is not being provided so long as the Child Care Educator/Provider is incurring transportation costs.
- B. **Attendance coding for School Age Children:**
 - 1. For Summer 2021, from the end of school to the start of school in the Child's school district, all Children who have intermittent placements may be billed at the Full Day School Age rate by using the Intermittent Full Time attendance codes.
 - 2. Starting with the start of the school year in the Child's district, the following guidance applies:
 - a. School Age Children attending Care:
 - i. On school days, Children attending care must be billed using regular Attended (A0/A1/A2) codes so that payment is based on the Child's schedule for Before and/or After School. If the Child is expected in care but is absent, the regular Explained (EA0/ EA1/EA2) or Unexplained (UA0/ UA1/UA2) codes should be used.
 - ii. On days that EEC will provide full day payment as detailed in Policy Guide Appendix C, Children who have intermittent placements may be billed by using the Intermittent Full Time Attended (IF0, IF1, IF2) or Absence (IFEAO, IFEA1, IFEA2, IFUA0, IFUA1, IFUA2) codes.
 - b. Children who have confirmed enrollment but who are not attending must be billed using regular Closure (CF0, CF1, CF2) codes so that payment is based on the Child's schedule for Before and/or After School.
- C. If the Child Care Educator/Provider has a situation that does not fall into the categories below, the Child Care Educator/Provider shall consult with EEC (via email to eeccsubsidymanagement@mass.gov) on the correct attendance code.

Child's Status	Attendance Code					
	Closure (CF0/CF1/CF2/ IC0/IC1/IC2)	Attended (A0/A1/A2/ IF0/IF1/IF2)	Explained Absence (EA0/ EA1/EA2)	Unexplained Absence (UA0/ UA1/UA2)	Unenrolled (X)	Provider Refused (PR)
All Children Prior to Reopening Date	X					
Child attends care		X				
Child is scheduled to attend but is absent w/notice			X			
Child is scheduled to attend but is absent (no show/no call)				X		
New Child is scheduled to start in care but has not yet attended					X	
Child is not yet attending but has confirmed enrollment	X					
Provider is closed for holiday, professional Day, or approved closure	X					
Provider is closed and it is an unapproved closure						X

10.2 Processing Requests for an Approved Break in Care *(Updated as of Sept. 2020)*

If a Parent has indicated that they wish to have an Approved Break in Care and provided any documentation detailed in Policy Guide Chapter 10.5, the Subsidy Administrator must follow these steps:

- A. The Subsidy Administrator shall enter a termination on the current placement in CCFA using the reason "Extended Break in Care."
 1. A termination must be entered on each Child's placement.
 2. The end date of the placement is two weeks' after the Parent gave notice of the Approved Break in Care.

CHAPTER 11

Parent Fees

Please see Policy Guide Chapter 11 for details.

CHAPTER 12

Eligible Child Care Subsidy Providers

Please see Policy Guide Chapter 12 for details.

CHAPTER 13

Denials and Terminations

Please see Policy Guide Chapter 13 for details.

CHAPTER 14

EEC Financial Assistance Complaint, Appeal, and Investigation Process

Please see Policy Guide Chapter 14 for details.

Please see Policy Guide Chapter 15 for details.

CHAPTER 16

Improper Payments and Recoupment

(Updated as of June 2021)

16.1 Provider Recoupment Process

16.1.1 Process for current fiscal year recoupment (CCFA adjustment):

Contracted Child Care Educator/Provider or CCRR will receive a letter documenting the total amount of the overpayment. The amount owed will be determined by the EEC Audit Compliance & Resolution Unit using CCFA Billing System. All recoupment letters must contain the following information:

1. The client name, case number, Child(ren's) name, and provider name;
2. The time period involved. List the month(s) and year(s); and,
3. A description of the cause of the overpayment.

Contracted Child Care Educator/Provider or CCRR must complete CCFA adjustments within the next billing cycle and must submit a copy of those adjustments to the EEC Audit Compliance and Resolution Unit.

16.1.2 Process for prior fiscal year recoupment

Contracted Child Care Educator/Provider or CCRR will receive a letter documenting the total amount of the overpayment. The amount owed will be determined by the EEC Audit Compliance & Resolution Unit using the CCFA Billing System. All recoupment letters must contain the following information:

- A. The client name, case number, Child(ren's) name, and provider name;
- B. The time period involved. List the month(s) and year(s); and,
- C. A description of the cause of the overpayment.

Unless otherwise instructed by EEC, Contracted Child Care Educator/Provider or CCRR will be placed on the Commonwealth's Billing Accounts Receivable System (BARS) which produces an invoice and/or payment plan statement. This invoice will be mailed to the Contracted Child Care Educator/Provider or CCRR. Only agencies with a prior fiscal year recoupment amount greater than \$150.00 will be placed on BARS. Agencies with less than the \$150.00 threshold can submit a check upon receiving the letter documenting the overpayment.

16.2 Reporting Provider Fraud *(Updated as of June 2021)*

If a Subsidy Administrator detects Provider Intentional Program Violation/Fraud within their organization, it must be reported to EEC Licensing Unit and EEC Audit Unit immediately. Examples of fraud include, but are not limited to, intentionally falsifying attendance records or manipulating client documents.

Appendix: A

Self-Employment Guidance *(Updated as of Sept. 2021)*

A. IDENTIFYING SELF EMPLOYMENT. Self-employment is the earning of income directly from one's own business, trade, or profession, minus allowable expenses. A self-employed individual exercises control over how the business is conducted, (i.e., the methods and means of performing services or making/selling goods to others). For EEC 's population the most common ones we consider as paid in cash, Uber, Lyft, Door Dash, or independent contractors that take deductions. An individual is self-employed if he/she:

- Earns income directly from his/her own business;
- Is responsible for obtaining or providing a service or product;
- Cannot be discharged from their employment by someone else;
- Is not required to have federal income tax, Social Security tax, and Medicare tax payments withheld from their earnings; or
- Is not required to complete an IRS W-4 form for an employer.

A Parent may report many types of self-employment during the eligibility process. The following identifies and defines the most common types of self-employment, which include Sole Proprietorships, Partnerships, Farmers, S-Corporations, and Limited Liability Companies. If a Parent reports other types of self-employment, please refer to the IRS website, www.irs.gov or contact the EEC Financial Assistance Unit at eeccsubsidymanagement@mass.gov.

1. **SOLE PROPRIETORSHIP.** A trade or business owned and operated by an individual in which all profit and loss belongs to that individual. A sole proprietorship is an unincorporated business that is owned by one individual. It is the simplest form of business organization to start and maintain. The business has no existence apart from the owner. The business's liabilities are the owner's personal liabilities. The owner undertakes the risks of the business for all assets owned, whether used in the business or personally owned. The owner includes the income and expenses of the business on the owner's individual tax return.
2. **PARTNERSHIP.** An agreement by 2 or more individuals to contribute money, skills, and/or labor to a business and share the profits, losses, and management. Each person contributes money, property, labor, or skill, and expects to share in the profits and losses of the business. A partnership must file an annual information return to report the income, deductions, gains, losses etc., from its operations, but it does not pay income tax. Instead, a partnership "passes through" any profits or losses to its partners. Each partner includes his or her share of the partnership's income or loss on his or her tax

return. A partnership will file a Form 1065 with the IRS, however this form reflects profits and losses to the business only and not each individual partner.

3. **FARMERS.** A farmer manages a tract of land on which crops and/or livestock are raised as a means of income.
4. **CORPORATION.** A distinct legal entity separate and apart from the individuals who comprise it. Corporations must file articles of incorporation with the Secretary of the Commonwealth.
5. **S-CORPORATION.** A small corporation with a limited number of shareholders which elects to be taxed as a partnership.
6. **LIMITED LIABILITY COMPANIES (LLC).** Similar to a corporation, owners have limited personal liability for the debts and actions of the LLC. Other features of LLCs are more like a partnership, providing management flexibility and the benefit of pass-through taxation.
7. **INDEPENDENT CONTRACTORS.** A profession in which individuals offer their services to the general public. The general rule is that an individual is an independent contractor if the payer has the right to control or direct only the result of the work and not what will be done and how it will be done.

B. WHAT HAPPENS AT INITIAL AUTHORIZATION

Documentation required for established self-employment

1. **ESTABLISHED SELF-EMPLOYMENT.** All self-employed Parents, whose income is reflected in his/her most recent federal tax returns, must provide the following documents to establish income eligibility:
 - a. **VERIFICATION OF SELF-EMPLOYMENT BUSINESS.** Copies of business records, such as:
 - i. Registration with the Massachusetts Department of Revenue;
 - ii. Doing Business As (DBA) certificate;
 - iii. Required licenses;
 - iv. Certificate of incorporation; or
 - v. Other documentation verifying the business
 1. Tax Registration certificate from the city where the Parent lives.
 2. Proof of Estimated quarterly taxes paid.
 3. Bank Statement showing Business Checking Account.
 4. Documentation from US Patent and Trademark Office (USPTO) showing business name.

- b. **REPORTED EARNINGS FOR PREVIOUS 3 MONTHS.** EEC’s Report of Self-Employment Earnings form.
 - i. Receipts or other supporting documentation must be submitted to verify the revenues and/or deductions. **Refer to Section C for a list of allowable expenses.**
- c. **FEDERAL TAX FILINGS.** Copies of most recent federal tax returns, including all applicable schedules. A Family new to the Income Eligible program whose most recent federal tax returns do not show sufficient income to meet minimum service need requirements may be treated as a newly self-employed (more than 3 months) household for the initial 12 month Authorization.
- d. **FEDERAL TAX TRANSCRIPT.** A transcript for most recent federal tax returns to verify that the income tax returns submitted to EEC are consistent with those submitted to the IRS. EEC Strongly recommends the tax transcripts are obtained online by creating an online account at www.IRS.gov/individuals/get-transcript. If a Parent is unable to create a profile to obtain their tax transcript online, then they can submit IRS Form 4506-T to the IRS.

Instructions for retrieval of Tax Transcripts online

- i. Parents can request online access to their Tax Transcripts for the current year and up to 10 years prior depending on the transcript type.
- ii. Parents will be required to create an online profile.
 - 1. The online portal will ask what type of request, Parents must select “Federal Tax.”
- iii. Parents should request a **Record of Account Tax Transcript** which combines the Tax return Transcript and Tax Account Transcript.
 - 1. Tax Return Transcript - shows most line items including your adjusted gross income (AGI) from your original tax return (Form 1040, 1040A or 1040EZ) as filed, along with any forms and schedules. It doesn’t show changes made after you filed your original return.
 - 2. Tax Account Transcript - shows basic data such as return type, marital status, adjusted gross income, taxable income and all payment types. It also shows changes made after you filed your original return

Subsidy Administrator Action for established self-employment:

- a. Follow the steps in Section G below (Calculating Self-Employment Income) on how to calculate income based on the self-employment type.
 - i. If the Parent meets the minimum activity requirements, a 12 month authorization is issued.
 - ii. If the Parent does not meet the minimum activity requirements, a Provisional Authorization is issued so the Parent can obtain an allowable activity.

Documentation required for newly self-employed

- 2. **NEWLY SELF-EMPLOYED.** Parents who meet the definition of self-employment, but whose self-employment business is not reflected in his/her most recent federal tax returns, must provide the following documents:

- a. **VERIFICATION OF SELF-EMPLOYMENT BUSINESS.** Parent is required to submit a copy of one of the business records listed below:
 - ii. Registration with the Massachusetts Department of Revenue;
 - iii. Doing Business As (DBA) certificate;
 - iv. Required licenses;
 - v. Certificate of incorporation; **OR**
 - vi. Other documentation verifying the business.
 - 1. Tax Registration certificate from the city where the Parent lives.
 - 2. Proof of Estimated quarterly taxes paid.
 - 3. Bank Statement showing Business Checking Account
 - 4. Documentation from US Patent and Trademark Office (USPTO) showing business name.
- b. **REPORTED EARNINGS FOR PREVIOUS 3 MONTHS.** EEC's Report of Self-Employment Earnings form without the Monthly Self-Employment Worksheets.
 - i. Receipts or other supporting documentation must be submitted to verify the revenues and/or deductions. **Refer to section E for list of allowable expenses.**

Subsidy Administrator Action for newly self-employed first authorization:

- a. Newly self-employed Parents will be written a 26 week Provisional Authorization as new self-employment to provide additional documentation.
- b. After an initial 26 week Provisional Authorization, Parents must submit an updated Report of Self-Employment Earnings form, including completed Monthly Self-Employment Earnings Worksheets for the previous 3 months.
- c. For calculation of newly self-employed, see Section F
 - i. If the Parent meets the minimum activity requirements, a 12 month authorization is issued.
 - ii. If the Parent does not meet the minimum activity requirements, [the Parent may be issued another 26 week Provisional Authorization if allowed under Policy Guide Chapter 4.3\(B\)\(1\)\(b\).](#)

Documentation required for newly self-employed for Less than 3 Months

- 3. **NEWLY SELF-EMPLOYED For Less than 3 Months:** Parents who meet the definition of self-employment for less than three months, but whose self-employment business is not reflected in his/her most recent federal tax returns, must provide the following documents:
 - a. **VERIFICATION OF SELF-EMPLOYMENT BUSINESS.** Parent is required to submit a copy of one of the business records listed below:
 - i. Registration with the Massachusetts Department of Revenue;
 - ii. Doing Business As (DBA) certificate;
 - iii. Required licenses;
 - iv. Certificate of incorporation; **OR**
 - v. Other documentation verifying the business.
 - 1. Tax Registration certificate from the city where the Parent lives.

2. Proof of Estimated quarterly taxes paid.
3. Bank Statement showing Business Checking Account
4. Documentation from US Patent and Trademark Office (USPTO) showing business name.

Subsidy Administrator Action for newly self-employed after seeking approved activity:

- a. If Parent was already issued a 26 week Provisional Authorization for seeking approved activity, and returned with preliminary self-employment documentation, Parent shall be issued [another 26 week Provisional Authorization if allowed under Policy Guide Chapter 4.3\(B\)\(1\)\(b\)](#).

C. WHAT HAPPENS AT REAUTHORIZATION

Documentation required for established self-employment

1. **FEDERAL TAX TRANSCRIPT.** A transcript for the most recent federal tax returns to verify that the income tax returns submitted to EEC are consistent with those submitted to the IRS. EEC Strongly recommends the tax transcripts are obtained online by creating an online account at www.IRS.gov/individuals/get-transcript. If a Parent is unable to create a profile to obtain their tax transcript online, then they can submit IRS Form 4506-T to the IRS.

Instructions for retrieval of Tax Transcripts online

- a. Parents can request online access to their Tax Transcripts for the current year and up to 10 years prior depending on the transcript type.
- b. Parents will be required to create an online profile.
 - i. The online portal will ask what type of request, Parents must select “Federal Tax.”
- c. Parents should request a **Record of Account Tax Transcript** which combines the Tax return Transcript and Tax Account Transcript.
 - i. Tax Return Transcript - shows most line items including your adjusted gross income (AGI) from your original tax return (Form 1040, 1040A or 1040EZ) as filed, along with any forms and schedules. It doesn't show changes made after you filed your original return.
 - ii. Tax Account Transcript - shows basic data such as return type, marital status, adjusted gross income, taxable income and all payment types. It also shows changes made after you filed your original return

Subsidy Administrator Action for Reauthorization of self-employment

- a. Follow the steps in Section G (Calculating Self-Employment Income) on how to calculate income based on the self-employment type.
 - i. If the Parent meets the minimum activity requirements, a 12 month authorization is issued.
 - ii. If the Parent does not meet the minimum activity requirements, a 26 week Provisional Authorization is issued to the Parent.

D. SELF-EMPLOYMENT EXPENSES. Self-employment income is calculated by taking the gross receipts from the business and subtracting allowable business expenses.

1. **ALLOWABLE BUSINESS EXPENSES.**² Allowable business expenses include expenses that are necessary for the operation of the business and that are commonly accepted and appropriate in the business. All business expenses are subject to review and verification by EEC, through receipts, business records, and other documentation, to ensure that they are allowable. Examples of allowable business expenses include:
 - a. Advertising: Business related advertising and promotional costs.
 - b. Automobile Expenses: If a personal car or truck is used for business purposes, only the business portion of vehicle expenses costs may be deducted. This includes gas, insurance, maintenance, and registration.
 - c. Commissions and Fees: Transaction/processing fees; Referral/broker/selling fees; Finder's fees; Sales commissions; Fees for legal referrals; Shared commissions (common in real estate); Commissions paid to managers and agents who are not employees; Fees for drop shippers; Fees for online referrals.
 - d. Costs of Goods Sold: The direct costs attributable to the production of the goods sold in a company. This amount includes the cost of the materials used in creating the goods along with the direct labor costs used to produce the goods.
 - e. Contract Labor: Contract labor includes payments to persons you do not treat as employees (for example, independent contractors) for services performed for your trade or business.
 - f. Employee Benefit Programs (e.g., health, accident, life insurance and dependent care assistance program): Deduct contributions to employee benefit programs that are not an incidental part of a pension or profit-sharing plan. Examples are accident and health plans, group-term life insurance, and dependent care assistance programs.
 - g. Insurance (e.g. commercial liability, fire insurance, etc.): Amounts paid for business insurance (if your home is used for business purposes, you may deduct amounts paid only for commercial property insurance, but not for homeowner's or renter's insurance).
 - h. Interest paid on mortgage owed banks: As shown on IRS Tax Form 1098.
 - i. Other interest payment (specify): Example: Investment Interest.
 - j. Legal and Professional Services: Fees charged by accountants and attorneys that are ordinary and necessary expenses directly related to operating your business. Include fees for tax advice related to your business and for preparation of the tax forms related to your business. Also, include expenses incurred in resolving asserted tax deficiencies related to your business.
 - k. Office Expenses: Expenses for office supplies and postage/shipping.
 - l. Pension or Profit-Sharing Plan: Contributions you made for the benefit of your employees to a pension, profit-sharing, or annuity plan.

² <http://www.irs.gov/pub/irs-pdf/p535.pdf>

- m. Repairs and Maintenance: Repairs that do not improve a unit of property. This generally includes the costs of routine repairs and maintenance to your property that result from your use of the property and that keep the property in an ordinary, efficient operating condition. (i.e. painting exteriors or interiors of business buildings, repairing broken window panes, replacing worn-out minor parts, sealing cracks and leaks, and changing oil or other fluids to maintain business equipment).
 - n. Rent for Leased Vehicles, Machinery, or Equipment: Rented or leased vehicles, machinery, or equipment related to your business.
 - o. Rent for Other Business Property (e.g. office space): Rent or lease other property, such as office space in a building.
 - p. Supplies: Cost of materials and supplies only to the extent you actually consumed and used them in your business during the tax year. Cost of books, professional instruments, equipment, etc.
 - q. Taxes and Licenses: State and local sales taxes imposed on you as the seller of goods or services. Real estate and personal property taxes on business assets. Licenses and regulatory fees for your trade or business paid each year to state or local governments.
 - r. Transportation: Mileage expenses, public transportation, taxi, other modes of transportation between business sites, but not including the mileage from home to the first business site and from the last business site to home.
 - s. Utilities: If the home is used for business purposes, only the business portion of residential expenses may be deducted (e.g. separate business phone line and any extra utility costs that can be attributed to the business).
 - t. Wages and Salaries for Employees: Amounts paid for employee salaries and taxes on those salaries as well as any employee benefit plans (i.e. health insurance or retirement plans for your employees).
2. **UNALLOWABLE BUSINESS EXPENSES.** Some business expenses, such as depreciation and depletion, which are allowed by the IRS, are **not** allowable deductions for determining eligibility for EEC financial assistance because they do not accurately reflect the actual income available to a self-employed individual to meet his/her living expenses. Examples of business expenses that are not allowable include the following:
- a. Personal expenses, such as the Parent's health insurance premiums, life insurance premiums, or retirement benefits;
 - b. Taxes that Parent pays on his/her net income, including Social Security, federal, and state taxes;
 - c. Monthly mortgage or rental payment for the home;
 - d. Depreciation; and
 - e. Business losses from prior months/years.

E. RECORD KEEPING AND BURDEN OF PROOF

According to the IRS, someone who is self-employed has the responsibility to substantiate entries, deductions, and statements made on their tax returns. This is known as the Burden of Proof. They must be able to prove certain elements of expenses to deduct them. The IRS has specific guidance on Record Keeping. They can disallow a Parent's deduction if audited and no receipts provided. There could be negligence penalties applied to the individual. The IRS suggests individuals to review bank and credit card statements to try and reconstruct their records. Also, vendors and suppliers may have duplicate records. If Parents aren't able to provide this documentation, they are not able to meet the Burden of Proof.

Types of records include:³

1. **Gross receipts** is the income received from the business. Parents should keep supporting documents that show the amounts and sources of the gross receipts. Documents for gross receipts include the following:
 - a. Cash register tapes
 - b. Deposit information (cash and credit sales)
 - c. Receipt books
 - d. Invoices
 - e. Forms 1099-MISC
2. **Purchases** are the items that are bought and re-sold to customers. If the Parent is a manufacturer or producer, this includes the cost of all raw materials or parts purchased for manufacture into finished products. The supporting documents should show the amount paid and that the amount was for purchases. Documents for purchases include the following:
 - a. Canceled checks or other documents that identify payee, amount, and proof of payment/electronic funds transferred
 - b. Cash register tape receipts
 - c. Credit card receipts and statements
 - d. Invoices
3. **Expenses** are the costs incurred (other than purchases) to carry on the business. The supporting documents should show the amount paid and a description that shows the amount was for a business expense. Documents for expenses include the following:
 - a. Canceled checks or other documents that identify payee, amount, and proof of payment/electronic funds transferred
 - b. Cash register tapes
 - c. Account statements
 - d. Credit card receipts and statements
 - e. Invoices
 - f. Petty cash slips for small cash payments

³ <https://www.irs.gov/businesses/small-businesses-self-employed/what-kind-of-records-should-i-keep>

Subsidy Administrators should advise Parents that if they do not provide documentation but the Parent claims the deductions, the Parent’s Income will be calculated without including the deductions.

- F. CALCULATING SELF EMPLOYMENT INCOME.** General procedures for calculating self-employment income **when a Parent provides a Federal Tax Transcript as verification:**
1. Identify the gross profit and net profit reported on the appropriate schedule.
 2. Review the deductions claimed by the Parent to determine if the deductions are allowable as specified in Section E.3.
 3. If there are deductions that are not allowable per Section E.3, add the amount of those deductions to the net profit. This includes deductions not allowable in accordance with the self-employment expenses.
 4. The net profit, plus the amount of any non-allowable deductions, will equal the Parent’s self-employment income which will be used to determine both eligibility and the number of hours of care.
 5. [The chart below reflects the IRS forms for tax year 2020. These forms are subject to change each tax year.](#)

Type of Self Employment	Required Forms	How to calculate
SOLE PROPRIETORSHIP.	IRS Form 1040; Schedule C (Form 1040)-Net Profit or Loss from Business (Sole Proprietorship); Schedule SE (Form 1040)-Self-Employment Tax (Sole Proprietorship); and Any other applicable schedules.	Gross receipts minus allowable business expenses. The total income to be included in the eligibility determination is found on Line 31 on the Schedule C, Line 34 on the Schedule F, or Line 15 on the Form 1040.
PARTNERSHIP	IRS Form 1040, and all applicable schedules; and IRS Form 1065, U.S. Return of Partnership Income. Individual income from a partnership is reported on a Schedule E form.	Gross receipts minus allowable business expenses, divided by the number of partners, if they all own an equal share, or by the percentage of the business owned by the self-employed Parent, if ownership is not shared equally. The total income to be included in the eligibility determination is found on Line 41 on the

		Schedule E or on Line 8 on the 1065.
FARMERS	Schedule F form	The total income to be included in the eligibility determination is found on Line 34 on the Schedule F, or Line 15 on the 1040.
CORPORATION.	IRS Form 1040, and all applicable schedules; and IRS Form 1120, U.S. Corporation Income Tax Return.	Gross receipts minus allowable business deductions. If an individual is paid a salary by the corporation, then the individual is not self-employed. The salary is considered wages, and any distribution of profits from the corporation is counted as additional income.
LIMITED LIABILITY COMPANIES (LLC).	Individual income from an LLC is reported to the IRS using a Schedule C, Schedule E, or Schedule F.	The total income to be included in the eligibility determination is found on Line 31 on the Schedule C, on Line 41 on the Schedule E, on Line 34 on the Schedule F, or on 15 on the 1040.
INDEPENDENT CONTRACTORS <ul style="list-style-type: none"> ● Paid in Cash, Personal Check, or Money Order ● Ride Share Service (i.e. Uber, Lyft) ● Delivery Services (i.e. Door Dash, Grub Hub, 	IRS Form 1040; Schedule C (Form 1040)-Net Profit or Loss from Business; Schedule SE (Form 1040)-Self-Employment Tax and Any other applicable schedules.	Gross receipts minus allowable business expenses. The total income to be included in the eligibility determination is found on Line 31 on the Schedule C, Line 34 on the Schedule F, or Line 15 on the Form 1040.

UberEATS, Postmates, Amazon)		
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G. SERVICE NEED HOURS FOR SELF EMPLOYMENT. To determine eligibility the Subsidy Administrator must divide the net profit from self-employment income by the number of weeks the income was intended to cover. The weekly amount is then divided by the minimum wage amount as determined by the State they work in order to verify if the Parent is meeting the work hour requirements for the specified number of weeks.

EXAMPLE A at Initial Authorization:

Parent provides Self-Employment Earnings Worksheets for the prior 3 months which includes receipts for deductions. When calculating income and service need hours, the deductions must be reviewed and correlated with the receipts provided by the Parent. (Family size for this example is 2).

\$1,540.99 for March + \$1,552.00 for April + \$1,875.89 for May (Net Monthly Business Income) = \$4,968.68 / 3 = \$1,656.23 (Average Monthly Business Income).
 $\$1,656.23 / 4.33 = \$382.50 / \$12.75$ (2020 Minimum wage) = 30 hours per week
 ELIGIBLE for full time care.

EXAMPLE B at Initial Authorization:

Parent provides Self-Employment Earnings Worksheets for the prior 3 months which includes receipts for deductions. When calculating income and service need hours, the deductions must be reviewed and correlated with the receipts provided by the Parent. (Family size for this example is 2).

\$4,000 for March + \$4,300 for April + \$5,000 for May (Net Monthly Business Income) = \$13,300 / 3 = \$4,433.33 (Average Monthly Business Income). Income is over the 50% SMI, therefore Family is INELIGIBLE.

EXAMPLE C at Reauthorization:

A carpenter submits a 2020 federal tax transcript indicating that his annual net profit was \$6,000.00 for the entire 52 weeks of the year.

- $\$6,000/52 = \$115.38/\$12.75$ (2020 Minimum wage) = 9.0 hours per week INELIGIBLE (Not meeting service requirement).

A carpenter submits a 2020 federal tax transcript indicating that his annual net profit was \$6,000.00 for the entire 52 weeks of the year. He also attends training for 20 hours

per week.

- $\$6,000.00/52 = \$115.38/\$12.75$ (2020 Minimum wage) = 9 hours per week + 20 hours of training equals 28 activity hours and is ELIGIBLE for part time care.

A carpenter, whose work is in New Hampshire, submits a 2020 federal tax transcript indicating that his annual net profit was \$5,320.00 for the entire 52 weeks of the year. He also attends training for 20 hours per week.

- $\$5,320/52 = \$102.31/\$7.25$ (2020 New Hampshire Minimum wage) = 14 hours per week + 20 hours of training equals 34 activity hours and is ELIGIBLE for full time care.

EXAMPLE D at Reauthorization:

For husband and wife businesses, both husband and wife must meet the work requirement. Business and tax documentation must show the business in both names. The net profit reported on the federal tax transcript will be divided between both husband and wife.

The 2020 federal tax transcript indicates a net profit of \$48,000 from self-employment for husband and wife.

$\$48,000$ (Net profit) / 52 (Weeks) = \$923.07.

$\$923.07 / \12.75 (2020 Minimum wage) = 72 (Hours of care per week)

76 (Hours of care per week) / 2 (Parents) = 36 (Hours of care per week for each Parent).

ELIGIBLE for full time care.

EXAMPLE E (S Corp) at Reauthorization:

There are two scenarios for Parents who are the owner of an S-Corp:

Scenario A: Parent is paid salary

If a Parent is the owner of an S-Corp and is able to take a salary as long as it meets the following criteria:

- Pay themselves a salary as an employee if the Parent performs employee-type functions, like serving as an accountant or lawyer.
- Make their pay equivalent to executives or employees in similar businesses.
- Withhold income tax, Social Security and unemployment taxes the same way they are deducted from a non-shareholder employee or a worker in another company.
- Deduct them from income as operating expenses.

If an individual is paid a salary by the corporation, then the individual is **not** self-employed. The salary is considered wages, and any distribution of profits from the

corporation is counted as additional income. Pay stubs should be obtained to determine income and activity.

Scenario B: Parent is paid through distributions

If a Parent is the owner of an S-Corp, then the individual can use the shareholder distributions as income to avoid having to withhold taxes. This distribution/income must be appropriate to their role in the S Corporation.

If a Parent is paid through distribution:

- Initial- Parent provides Self-Employment Earnings Worksheets for the prior 3 months which includes receipts for deductions.
- Reauthorization - the *Ordinary business income* (Line 21 on Form 1120-S) on the Federal Tax Transcript is used to calculate income.

H. SELF-EMPLOYMENT FREQUENTLY ASKED QUESTIONS

1. **Are we issuing a seeking approved activity for a brand new self-employed person who comes in off the waitlist and does not qualify for services based on the documentation brought in?** *Subsidy Administrators would issue a 26 week Provisional Authorization for new self-employment.*
 - a. **And/or what if they have only 1 month (or possibly 2, just not 3) worth of information?** *First, ask how many hours the Parent is working and/or review what they have reported on the worksheets the Parent was able to provide. The level of care should be based on this information and the Parent should be written for 26 weeks.*
 - b. **Do we add the 1 month as income and/or what if the hours on that one month do not average f/t but average p/t? Can we still issue as seeking activity f/t?** *A 26 week Provisional Authorization for new self-employment should be issued. The income and fee should be based on current minimum wage times the number of hours the Parent is reporting.*
2. **When looking at prior year federal tax transcript, if the client does not match the level of care which they were given, how do we move forward?** *Answers below assume that this is happening at Reauthorization*
 - a. **The transcript shows no eligibility for the previous year (less than 20 hours)** *Assuming that this is at Reauthorization; if the Parent does not meet the minimum activity requirements, a 26 week Provisional Authorization is issued to the Parent.*
 - b. **The transcript shows part-time eligibility for the previous year (20-29 hours of eligibility)** *Assuming that this is at Reauthorization; if the Parent does not meet the minimum activity requirements, a 26 week Provisional Authorization is issued to the Parent.*
3. **What if the taxes include expenses that were not included in the standard EEC deductions from the monthly earnings forms?** *Subsidy Administrators should advise Parents that if they do not provide documentation and did not include expenses in the*

standard EEC deductions from the monthly earnings form but the Parent claims the deductions, the Parent's Income will be calculated without including the deductions.

4. **What is acceptable for "other documentation?"** Lots of clients come in without the DBA etc., and want to know what we might take. *The following are examples of "other documentation"*
 - a. *Tax registration certificate from the city where they live*
 - b. *Proof of Estimated quarterly taxes paid*
 - c. *Bank statement showing Business Checking Account*
 - d. *Documentation from US Patent and Trademark Office (USPTO) showing business name*
 - e. *Uber/Lyft statements*

5. **Would Uber, Lyft, Door dash, Grub Hub, or equivalent drivers be considered independent contractors or self-employed?** *Historically we have considered them self-employed but they are considered as independent contractors by Uber/Lyft, Door Dash, or Grub Hub. We consider them self-employed because of the nature of the work and the deductions that they take. For all other independent contractors, you should be asking questions on if they take deductions related to their work and, if so, you should treat them as self-employed rather than as an independent contractor.*

6. **Are we still responsible for collecting federal tax transcripts for a Family that doesn't end up coming back in to renew their voucher?** *The Subsidy Administrator is not required to collect the federal tax transcripts if the subsidy is not renewed. However, notes should be put in CCFA and in the Parent's file indicating this.*

7. **How are we handling Families who did not file taxes for the year requested?**
 - a. **For Families whose Reauthorization end date is between January 1st and the last day of February and taxes have yet to be filed:**
 - i. *Subsidy Administrators can issue a 26 week Provisional Authorization as Self-Employment. Parents must present federal tax transcripts at the end of the 26 week Provisional Authorization.*
 - b. **For Families whose Reauthorization end date is after the last day of February and taxes have yet to be filed:**
 - i. *Subsidy Administrators can issue a 26 week Provisional Authorization as Self-Employment. Parents must present federal tax transcripts at the end of the 26 week Provisional Authorization.*

8. **Brand new Families – do we need taxes and federal tax transcripts from the prior year?** *Procedures Manual Appendix A says that the Parent must provide the most recent federal tax return and federal tax transcript. This is required as this information may assist in completing the Authorization, especially if there is a large discrepancy between what they previously earned and what they are currently claiming. However, at an Initial*

Authorization, the subsidy is based off the recent 3 months' worksheets with receipts for allowable expenses.

9. **If a client is Reauthorizing with the same self-employed job and is unable to get federal tax transcripts due to IRS delay should we issue 26 week Provisional Authorization, a 12 month Authorization, or a Notice of Denial?** *You should **first try to assist the parent in getting their tax transcript**. Tax filers can obtain their federal tax transcript online once the taxes have been approved by the IRS (which we understand happens fairly quickly) so there should be no delay and the Subsidy Administrator should be advising them they will need the documentation prior to the Reauthorization. Parents should be aware of the deadline requirements for federal tax filing in relation to their subsidy Authorization. Failure to submit federal tax transcript on time could result in denial of care. **If the Parent is still unable to access the tax transcript by the end date, a Provisional Authorization may be granted.***
10. **What happens when a Parent was given a 26 week Provisional Authorization for Seeking Approved Activity and comes in at the end saying that they are starting self-employment?** *Parent may be granted another Provisional Authorization as detailed in Policy Guide Chapter 4 to provide documentation.*
11. **What do we do if a Parent is unable to provide receipts for deductions listed on the Self-Employment Earnings form?** *Subsidy Administrators should inform Parents of this IRS guidance. According to the IRS, someone who is self-employed has the responsibility to substantiate entries, deductions, and statements made on their tax returns. This is known as the Burden of Proof. They must be able to prove certain elements of expenses to deduct them. The IRS has specific guidance on Record Keeping. They can disallow a Parent's deduction if audited and no receipts provided. There could be negligence penalties applied to the individual. The IRS suggests individuals to review bank and credit card statements to try and reconstruct their records. Also, vendors and suppliers may have duplicate records. If Parents aren't able to provide this documentation, they are not able to meet the Burden of Proof. If a Parent fails to provide receipts for deductions, then their federal tax transcript at their next Reauthorization must correlate with this reporting. Subsidy Administrators will only use the gross income to determine the Parent's income and service need. If a Parent later reports deductions in their tax reporting, it will not be included in this income calculation.*
12. **If a parent provides their recent tax return, tax transcript and verification of self-employment business as directed in the Procedures Manual Appendix A, do they also have to submit the Employment Verification Form?** *An Employment Verification form is only applicable to parents who are paid in cash/personal check or independent contractors and do not deduct expenses. Please refer to Policy Manual, 4.2.C.iii, Independent Contractors.*

13. We are struggling with the amount of time it is taking to review the receipts of the monthly sheets in the self employment packet. For example, one client recently submitted 50 pages of receipts, all unmarked/labeled for 1 month packet. Are we expected to go through all the receipts and categorize them for the clients or make sure what the totals are correct? OR are we okay to use the monthly paper that they fill out on their own. *The parent should be submitting the receipts to you categorized and should not expect you to go through them. If the parent is submitting an unorganized packet, they should be asked to revise it so that you can check the information easily. Parents need to categorize the receipts for the taxes.*

I. ADDITIONAL RESOURCES

FORMS	
SUBJECT	URL
1040 U.S. Individual Income Tax Return	http://www.irs.gov/pub/irs-pdf/f1040.pdf?portlet=3
1065 U.S. Return of Partnership Income	http://www.irs.gov/pub/irs-pdf/f1065.pdf
1120S U.S. Income Tax Return for an S Corporation	http://www.irs.gov/pub/irs-pdf/f1120s.pdf
Schedule C Profit or Loss from Business	http://www.irs.gov/pub/irs-pdf/f1040sc.pdf
Schedule E Supplemental Income and Loss	http://www.irs.gov/pub/irs-pdf/f1040se.pdf
Schedule F Profit or Loss from Farming	http://www.irs.gov/pub/irs-pdf/f1040sf.pdf
4506-T Request for Transcript of Tax Return	http://www.irs.gov/pub/irs-pdf/f4506t.pdf

FORM INSTRUCTIONS	
SUBJECT	URL
1040 U.S. Individual Income Tax Return	http://www.irs.gov/pub/irs-pdf/i1040.pdf?portlet=3
1065 U.S. Return of Partnership Income	http://www.irs.gov/pub/irs-pdf/i1065.pdf
1120S U.S. Income Tax Return for an S Corporation	http://www.irs.gov/pub/irs-pdf/i1120s.pdf

Schedule C Profit or Loss from Business	http://www.irs.gov/pub/irs-pdf/i1040sc.pdf
Schedule E Supplemental Income and Loss	http://www.irs.gov/pub/irs-pdf/i1040se.pdf
Schedule F Profit or Loss from Farming	http://www.irs.gov/pub/irs-pdf/i1040sf.pdf

USEFUL PUBLICATIONS	
SUBJECT	URL
Burden of Proof	https://www.irs.gov/businesses/small-businesses-self-employed/recordkeeping https://www.irs.gov/businesses/small-businesses-self-employed/burden-of-proof https://www.irs.gov/businesses/small-businesses-self-employed/what-kind-of-records-should-i-keep
Pub 334 - Tax Guide for Small Business (For Individuals Who Use Schedule C or C-EZ)	http://www.irs.gov/pub/irs-pdf/p334.pdf
Pub 535 Business Expenses	http://www.irs.gov/pub/irs-pdf/p535.pdf
Pub 583 Starting a Business and Keeping Records	http://www.irs.gov/pub/irs-pdf/p583.pdf
Pub 541 Partnerships	http://www.irs.gov/pub/irs-pdf/p541.pdf
Pub 542 Corporations	http://www.irs.gov/pub/irs-pdf/p542.pdf
Pub 1779 Employee/Independent Contractor Brochure	http://www.irs.gov/pub/irs-pdf/p1779.pdf
Pub 3402 – Tax Issues for LLCs	http://www.irs.gov/pub/irs-pdf/p3402.pdf

Appendix: B

Paid Family Medical Leave (PFML) Procedure for FCC Systems and CCRRs *(New as of September 2021)*

Original Issue Date:

The following sections were originally sent to FCC Systems and CCRRs by email on April 28, 2021 as three attachments. In order to provide this information with all other subsidy procedures, the original attachments have been included in this Appendix as three separate sections. **No changes have been made to the original text send by email.** If you have any questions about information contained in this Appendix, please email EEC's PFML mailbox at EECpfml@mass.gov.

PFML Procedure: Frequently Asked Questions

For CCRRs and FCC Systems:

1. **What does a CCRR or FCC System need to do to prepare for its involvement with PFML?** *CCRRs and FCC Systems must create an employer account that is specific to their EIN. Please go to this link <https://www.mass.gov/how-to/creating-an-employer-account-to-review-paid-family-and-medical-leave-pfml-applications> for instructions regarding how to complete the account.*
2. **I received a notification from the Department of Family and Medical Leave (DFML) that an FCC provider has started an application with DFML. Do I need to notify anyone that this has occurred?** *No, this notification does not need to be forwarded to EEC.*
3. **What is the process for CCRRs or FCC Systems when a provider has applied to take PFML?** *When a provider applies to take PFML:*
 - *DFML will send an e-mail to the provider's CCRR or FCC System, asking for verification that the information contained in the provider's application is correct.*
 - *The CCRR/FCC System takes a screenshot of the first screen and then clicks "Yes" for "Am I the right person to be reviewing the application?". A button will populate at the bottom of the screen "Agree and submit". Click this button to move on to the next screen.*
 - *The CCRR/FCC System sends EEC (through the eecpfml@mas.gov mailbox) the screenshot of the first screen, the OID Number of the provider (please see the*

graphic below of where to find the OID on the Provider Detail page in CCFA), and a screenshot of the “Leave Details” section, which shows the type and length of leave being requested by the provider.

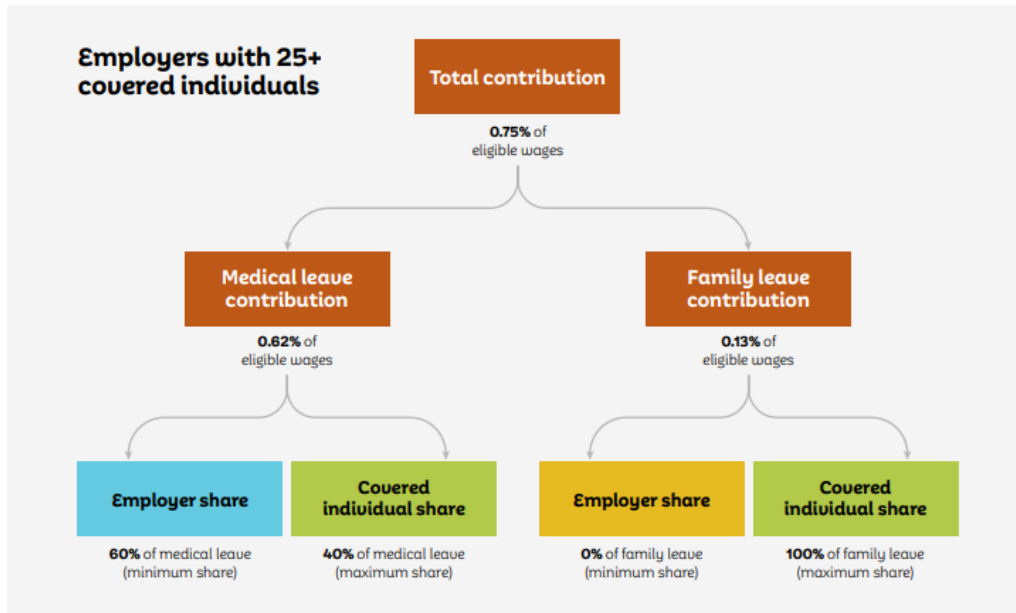
- If a screenshot is not able to be obtained, EEC will need the following information to process the verification request:
 - Employee name
 - Mailing address
 - Social Security Number or Individual Taxpayer Identification Number (last 4 digits)
 - Date of birth (month and day)
 - Provider OID
 - Leave duration
 - Leave Schedule (Date Range, Leave Frequency, Details)
- EEC responds to the CCRR/FCC System with the additional four questions that need to be answered to complete the verification process.
- The CCRR or FCC System will respond to DFML using the information provided by EEC.
- DFML will use that information to make a decision regarding the provider’s application.

4. I received a notification that a provider was approved by DFML. What should I do with this notification? *This notification should be saved in the provider’s file and forwarded to EECpfml@mass.gov.*

5. Is EEC (through the financial relationship established by the FCC System, CCRRs, and FCC providers) responsible for ensuring that FCC providers maintain their same compensation when they return from PFML? *No. Only certain sections of the PFML statute apply to EEC’s relationship with FCC providers. FCC providers who return from PFML will still be considered licensed by EEC at the same level as before their leave, however, this is no guarantee that they will have the same composition of children in their programs or the same level of compensation.*

PFML Tax Calculation:

1. **What are the PFML tax rates?** *The PFML rates represent the total contribution to PFML for both the employer (EEC) and the employee (childcare provider). The total contribution rate for Calendar Year is .75%. The .75% has 2 components: medical leave and family leave. The medical leave portion is .62%. The family leave portion is .13%.*
 - *For the medical leave portion, the employer (EEC) pays 60% of the .62% or **.372%**. The employee (provider) pays 40% of the .62% or **.248%**.*
 - *For the family leave portion, the employee (provider) pays the full .13%.*



2. Will the PFML tax percentages change over time? *The Department of Family and Medical Leave must set the PFML rate every October at 64% of the current state average weekly wage. This means that the PFML tax amount could change from year to year.*

Responsibility for Paying PFML Tax:

1. Who will be responsible for remitting to the Department of Revenue (DOR) the employer and employee portion of the PFML tax? *The CCRR or FCC System is responsible for remitting all PFML taxes resulting from subsidy payments. The CCRR or FCC System receives these funds through the subsidy monthly billing paid by EEC. The amount to remit can be found in the reports available in CCFA.*

PFML Reports and Reconciliation:

1. Will the FCC Systems and CCRRs receive information on the PFML amounts deducted? *Yes, this information will be in the reports in CCFA. The reports will contain the employer and employee portions that are to be deducted from the subsidy payment that is made to the CCRR or FCC System by EEC. The reports will contain the PFML amount that EEC pays to the CCRRs and FCC systems to cover the employer portion. The reports will also contain the PFML amount that will need to be deducted from the providers that will be remitted by the CCRR or FCC System to DOR.*
2. Does the FCC System or CCRR have to reconcile the payments they receive? *Each FCC System or CCRR is responsible for reconciling the payments they receive from EEC to reports in CCFA.*

Quarterly Reporting Procedure:

1. FCC Systems and CCRRs submit quarterly reports to DOR. Does EEC have to submit quarterly reports as well? *No. Only the FCC Systems and CCRRs submit quarterly reports to DOR on wages subject to PFML.*

2. If a provider has a tax ID (no SSN) and the provider's legal name is the name of the program, should this name be put into the 'First Name' column or the 'Last Name' column? If data is only entered in the 'First Name' column, is the 'Last Name' column left blank?
 - *If the business is a sole proprietorship (e.g., Tim's Day Care), Tim's first and last name and SSN should be entered in the corresponding columns.*
 - *If the business is not a sole proprietorship (e.g., Tim's Day Care), the full name of the business would be entered in the 'First Name' column along with the Tax ID number.*

3. Do the FCC systems and CCRRs need to remit contributions to [MassTaxConnect](#) for parent fees that are collected by the FCC Systems/CCRRs? *No. The only payments made to the FCC provider that are subject to PFML are the payments from the FCC Systems to the providers that are for reimbursement for subsidy care. These payments do not include parent fees.*

4. Is there paperwork that the FCC Systems and CCRRs need to keep on file for payments made through MassTaxConnect? *Each FCC System and CCRR will need to retain the confirmation email from MassTaxConnect stating that the quarterly report was filed.*

Providers That Have a Separate Paid Leave Benefit:

1. If the CCRR or FCC System provides a separate paid leave benefit to their workforce, can their FCC providers be exempt from PFML? *The CCRRs and FCC Systems are not considered to be the employers of the FCC providers. Regardless of the benefit package you provide to your W-2 employees, this does not affect the quarterly reporting requirement to DOR for FCC providers, nor does it exempt the FCC provider from having to pay the PFML taxes. EEC is considered the employer of the FCC providers for the purposes of contributions and providing notice of the PFML law.*

2. If the CCRR or FCC System provides a separate paid leave benefit to their workforce and therefore do not have to file quarterly DOR reports, do they still have to submit reports for their FCC providers? *Yes, the CCRR or FCC System is still required to submit quarterly reports to DOR for their FCC providers.*

Opting Out of PFML:

1. Can FCC providers opt-out of PFML? *FCC providers who receive payment from EEC as reimbursement for subsidy care are not eligible to opt-out of PFML.*

Other Payments that Providers Receive:

1. **What payments to providers need to be taxed?** *The only payments made to the provider that are subject to the PFML tax are payments that FCC providers receive (by way of the FCC system) from EEC for reimbursement for subsidy care.*
2. **The FCC System pays additional payments to the FCC provider (nutrition, incentive, bonus, etc.). Will the FCC System have to pay the employer share and deduct the employee share of PFML for these payments?** *Additional payments paid by the FCC Systems to the FCC providers are NOT subject to PFML tax. The only payments made to the provider that are subject to the PFML tax are payments that FCC providers receive (by way of the FCC system) from EEC for reimbursement for subsidy care.*

New Providers and PFML:

1. **How will new providers be notified about the PFML tax and reporting?** *Each FCC System and CCRR received PFML notification materials to be inserted in the intake packet when signing an agreement with a new provider. CCRRs and FCC Systems must provide these materials to new providers.*

PFML Procedure: The CCRR/FCC System's Role in PFML Applications

Beginning on January 1, 2021, Family Child Care Providers are eligible to take Paid Family and Medical Leave (PFML). Providers can apply for PFML by submitting an application to the [Department of Family and Medical Leave](#) (DFML). When an application is submitted to DFML, DFML will review the applications, request verification from the applicant's employer, and either approve or reject the application.

DFML has recently provided guidance regarding the employer's role in the application process. Employers are being asked to create an Employer Account using an email address and password. A separate Employer Account must be created for each different Federal Employer Identification Number. Because DFML has formatted their account creation in this way, EEC must ask each CCRR and FCC System to create its own Employer Account and to forward all Provider PFML requests to EEC for verification (steps 5 and 6 of the process below). EEC will then verify the information contained in the Provider applications and instruct the CCRRs and FCC Systems on how to respond to DFML.

EEC has included a step-by-step procedure below to describe the provider application process:

1. As soon as possible, CCRR and FCC Systems create Employer Accounts by following the instructions on the DFML website at <https://www.mass.gov/how-to/creating-an-employer-account-to-review-paid-family-and-medical-leave-pfml-applications>
2. Provider gives notice to EEC and their CCRR/FCC System that they will be applying for PFML.
3. Provider completes and submits application to DFML.

4. DFML notifies CCRR/FCC System that a provider has filed an application for PFML and requests verification of the information contained in the provider’s application.
5. The CCRR/FCC System takes a screen shot of the first screen and then clicks “Yes” for “Am I the right person to be reviewing the application?”. A button will populate at the bottom of the screen “Agree and submit”. Click this button to move on to the next screen.
6. The CCRR/FCC System [emails EEC \(eecpfml@mas.gov\)](mailto:eecpfml@mas.gov) the screenshot of the first screen, the OID Number of the provider (please see the graphic below of where to find the OID on the Provider Detail page in CCFA), and a screenshot of the “Leave Details” section, which shows the type and length of leave being requested by the provider.

PROVIDER DETAIL - [Redacted]

Action: -- Select One --

Provider Information

Name	[Redacted]	Provider Type	Family Child Care (in the System)
Tax Identification No.	XX-XX-5161	LEAD Program No	P-175551
Lead CCR&R	Child Care Choices of Boston	Organization ID	6289
Provider Billing Identification No.	[Redacted]	Region	6 - Metro Boston
Admin Organization	[Redacted]	CCRR Billing Identification No.	

Minority Owned	No	Non Profit	No
Women Owned	No	Provide Transportation	Yes
Send 1099 to Provider	No	Send Voucher Payment to Provider	No
Is Out of MA	No		

- If you cannot obtain a screenshot, you will need to provide the following information to EEC to process the verification request:
 - Employee name
 - Mailing address
 - Social Security Number or Individual Taxpayer Identification Number (last 4 digits)
 - Date of birth (month and day)
 - Provider OID
 - Leave duration
 - Leave Schedule (Date Range, Leave Frequency, Details)
7. EEC responds to the CCRR/FCC System with the answers to the additional four questions that need to be answered to complete the verification process.
 8. The CCRR/FCC System responds to DFML using the information provided by EEC.

Note: If the CCRR/FCC System receives a notice from DFML that a provider has started an application with DFML, this notification does not need to be provided to EEC.

PFML Procedure: The CCRR/FCC System’s Role in Approved Applications

Beginning on January 1, 2021, Family Child Care Providers who received payment for subsidy children are eligible to take PFML. Providers can apply for PFML by submitting an application to DFML. When an application is submitted to DFML, DFML will review the application, request verification from the applicant’s employer, and either approve or reject the application.

EEC has included a step-by-step procedure below to describe the process after a provider has been approved:

1. Once a provider is approved for PFML by DFML, a notification will be sent to the CCRR/FCC System of the approval.
2. The Subsidy Administrator will input the approved leave in Child Care Financial Assistance (CCFA) system.

Here is guidance for the sample approval below (based upon a continuous leave):

Schedule	Start date	End date	Absence details
Continuous	01/24/2021	04/18/2021	N/A

- a. The PFML leave is to be entered in CCFA as PFML unpaid closure using the existing substitute care requests page.
 - i. Select the request type as ‘PFML Unpaid Closure’
 - ii. Select the applicable PFML reason (‘Medical’ or ‘Family’)
 - iii. Enter the Start Date and End Date based on the Approval from DFML
 1. In the above example, Start Date would be 1/24/2021 and End Date would be 4/18/2021
 - iv. Enter the DFML approval date from the approval letter.
 - v. Enter additional comments as needed.
- b. Overlapping PTO requests will be allowed within the first 7 days of the PFML request.
 - i. If the PTO days are already entered and approved within the first 7 days of the PFML request, the PFML request will be split and entered around the PTO days.
 - ii. If the PTO request is added after the PFML request, the PTO days will be inserted into the PFML window.
 - iii. For the example above, PTO days will be allowed from 1/24/2021 through 1/30/2021
- c. The placement at the provider on PFML leave will be allowed to exist within the first 7 days. The request cannot be submitted if there are active placements beyond the 7th day of the request window.
 - i. In the example above the request will be blocked if there are active placements between 1/31/2021 and 4/18/2021.

- ii. Overlapping placements within the first 7 days will ensure that the provider on leave gets paid for any PTO days and the provider who will be providing child care to the child will be paid during this 7-day window

PTO (with/without Sub Care) or Unpaid Closure Day with Sub Care - Family Child Care Providers
Placement at Alternative Location of Care - Center Based Programs

Request Type: *

Subcare Reason: *

Admin Org:

Provider: *

Provider Selected:

Request Start Day: *

Request End Day: *

DFML Approval Date:

Comments:

Note: Substitute Care/Alternate Location of Care requests cannot be canceled after submission.

- iii. PTO days will not be allowed after the first 7 days through the end of the PFML leave.
- d. All children will have their placements end with the provider who is on leave:
 - i. Placements may end before the leave starts if the provider does not plan on using any PTO days.
 - ii. Placements must end after the first 7 days for all children.

Note: CCFA does not have the functionality for intermittent leave. This functionality will be released later. In the meantime, any intermittent leave can be handled as individual continuous PFML Unpaid requests. For example, if the provider opts for PFML every Thursday and Friday an individual request needs to be entered for each week.

- 3. The notification should be sent to EEC (through the PFML mailbox at EECpfml@mass.gov), only for purposes of verifying the dates for approval in CCFA. For documentation purposes, the CCRRs and FCC Systems should retain this file in the provider’s file.
 - a. Unlike the other substitute care requests, PFML requests cannot be approved by Subsidy Admins.
 - b. PFML requests do not allow substitute care assignments in CCFA. The substitute placement for the family should be entered as new placements using the add placement options on Family/Sub Authorization details pages.
 - i. This will allow families more flexibility in choosing substitute care for the extended PFML leave.
- 4. PFML requests can be backdated up to 45 days. For approval leave that needs to be backdated greater than 45 days, submit a Help Desk ticket and attach the approval letter.