

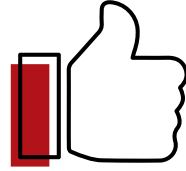
Program Integrity & Administrative Procedures





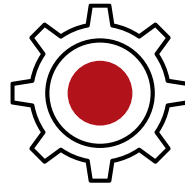
Welcome!

While waiting for others to join check your Zoom settings and drop your full name, role and organization in the chat



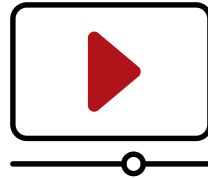
Find "Raise Hand"

- In meeting controls, click "Reactions"
- Click raise hand to ask a question or answer a prompt



Update Your Name

- In meeting controls, click "Participants"
- Hover over your name, click "..."
- Click "rename" to update to your First Name & Last Name



Technical Trouble?

- Send a message to the EEC Host





Housekeeping



Please feel welcome to place questions in the chat

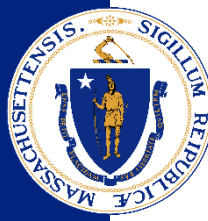
Questions will be gathered for a holistic FAQ document that will be distributed after the Core Services trainings are completed



When asked for feedback or comments by facilitators throughout the session, please “raise your hand” to be called on



Please keep your microphone on mute to reduce feedback until you are looking to make a statement or ask a question



Today's Agenda

- Introductions
- Audit Compliance and Resolution
 - Internal Controls
 - EEC Fiscal Monitoring
 - Resolving Fiscal Monitoring Findings
 - Detecting and Identifying Intentional Program Violations
- Administrative Procedures
 - Denials and Terminations
- Technical Assistance and Support
- Questions and Discussion



Introductions: EEC Team

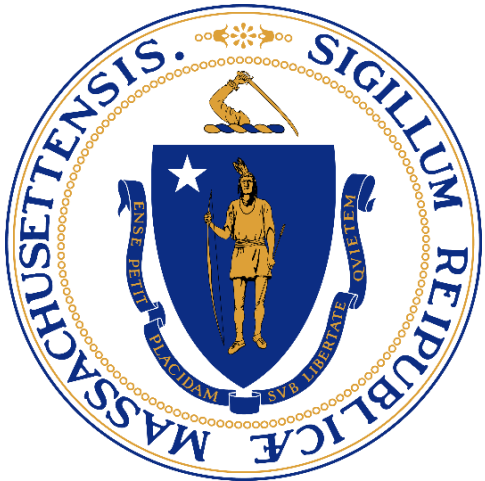
- **Alicia Siryon-Wells**, Sr. Associate Commissioner, Program Integrity and Internal Controls
- **Audit Team**
 - Chet Stone, Subsidy and Transportation Compliance Monitor
 - Randy Wong, Subsidy and Transportation Compliance Monitor
 - Joyce Wilkins Nkwah, Grant & Subsidy Fiscal Monitor
 - Frank Ray, Fiscal Monitor
- **Family Access**
 - Bethanie Glass, Director of Child Care Financial Assistance
 - Carmen M. Quiñones, Subsidy Policy & Technical Assistance Specialist
 - Elyse Tibbetts, Priority Access Manager



Today's Course Objectives

By the end of this course, you will be able to...

- Articulate the changes to the regulations, policies, and procedures described in Program Integrity and Administrative Procedures
- Execute relevant procedures to drive the policies and regulations forward
- Understand how the new regulations, policies, and procedures impact how you work with families, and how families will work with our various partners – you!
- Fill out the proper CCFA-related forms in order to support a family and peer stakeholders
- Identify where to access additional resources for education



Section I: Audit Compliance and Resolution



Framing Program Integrity

- Program Integrity (*Federal Register Section 45 CFR 98.68*)
 - Lead Agencies are required to describe in their Plan effective internal controls that are in place to ensure integrity and accountability, while maintaining continuity of services, in the CCDF program.
 - These responsibilities are identified in the [2025-2027 CCDF State Plan](#).

EEC's Responsibility as a Lead Agency

Effective Internal Controls

Strategies used to identify and prevent program violations

Organizational structure to support integrity and internal controls

Fiscal management practices and effectiveness of those practices.

Identifying risk and weakness in internal controls

Processes to train about CCDF requirements and program integrity

Identification and recovery of misspent funds



A. Internal Controls

What are Internal Controls, and Why are they Important?



Examples of Internal Controls would include Intake, Accounting, Attendance and Billing, Parent Fee Collection, and Record Keeping

Establish Protocols

Policies and procedures expected to follow as apart of organization's day to day work duties. Brings order and cohesiveness; everyone knows what is expected.

Prevent or Reduce Fraud, Waste, and Abuse

Activities such as bank reconciliations and internal audits.

Separation of Duties

Checks and balances which also helps prevent fraud, waste, and abuse.

Organize Information

Keep everything in one place; better prepared when requested upon for compliance reviews.

Reduce Errors

Training new and current employees on the organizations policies and procedures. (Checklists, Secondary Review)

These should be reviewed annually as compliance regulations may change





B. EEC Fiscal Monitoring



EEC Monitoring Objectives

Ensuring compliance , transparency, and accountability while minimizing fraud, waste, abuse, and audit issues through technical assistance and monitoring.



Compliance Requirements and Responsibilities

Federal

- OMB Circulars and Uniform Guidance
- CCDF (CFR Parts 98 & 99)
- Improper Payments Information Act (IPIA)
- CCDF Compliance Supplement

State

- Child Care Financial Assistance Regulations (606 CMR 10.00)
- Procurement 801 CMR 21.00
- Compliance Reporting and Auditing 808 CMR 1.00
- Grants and Subsidies 815 CMR 2.00
- Audit Resolution Policy for Human and Social Services
- Terms and Conditions for Human and Social Services

EEC

- Applicable Interim Child Care Financial Assistance Program Policies
- Applicable EEC Policy Advisories



Purpose of Subrecipient Fiscal Monitoring

Ensure subrecipients are in compliance with rules, regulations, and requirements.

Understand and assess subrecipient financial and management system capabilities.

Safeguard federal funds against fraud, waste, and abuse.

Help identify potential audit issues.

Identify technical assistance and training needs.

Identify improvements to EEC's current policies and procedures.

Follow up on issues or corrective actions providing effective resolution.



Effective Fiscal Monitoring Process

Contract

Identification of Awards



Provider Risk Assessment Analysis Review (PRAAR)

Conducts risk assessment to identify levels of risk.



Scheduling

Scheduling on site monitoring and desk reviews based on risk assessments.



Monitoring Review

Ensure proper use of funds, compliance with all regulations, and adequate internal controls.



Monitoring Report

Identifying monitoring process, any findings, areas of non-compliance, and recommendations.



Corrective Action

Addresses how findings will be corrected.



EEC Fiscal Monitoring Visits

How do we schedule?

- Based upon Risk Assessment.
- Monitoring visits are conducted at least once during the contract period.
- CCRRs are done yearly.
- Referrals, complaints, and recommendations from Legal, Regional Offices, or other external sources.
- Desk reviews conducted as deemed necessary.

Routine Monitoring Activities

Initial Engagement:

- Communication from EEC Fiscal Monitor at least **6-8 Weeks** prior to Review;
- Discussion of type of review; desk or onsite
- Discussion confirmation of date and location

Engagement Letter:

- Received at least **4 weeks** prior to visit
- Includes the required documentation



Documentation Review and Requirements

I. General Management and Administrative Documents

1. Submit the Accounting Policies and Procedures and Personnel Policies and Procedures.
2. Copy of Billing Procedures and Staff responsible for Billing EEC.
3. Copy of a detailed Organization Chart and List of Staff as they pertain to EEC Contract.
4. Information related to fiscal oversight: Name/s of Financial Systems used, G/L, Chart of Accounts
5. Information related to Organization's Independent Audit

II. Financial Assistance Management Documents

1. Internal intake forms and procedures
2. Dual Authorization Oversight plan
3. Process for collecting parent fees
4. Parent handbook

III. Contract Management and Fiscal Accountability

1. Subcontracts, including FCC Provider agreements.
2. FCC Provider Files: Home visits, payments to providers, PFML Quarterly reporting
3. Documentation to verify billing done through CCFA System
 - Attendance records and any supplemental billing (if applicable)
4. List of CCFA Usernames and assigned roles, update as necessary.

IV. Select Client files for review to confirm eligibility determination.



Documentation Review and Requirements

V. Cost Reimbursement

1. Review of approved budget and budget narratives; including any amendments.
2. Selection of sample of Direct care/Program support Staff
 - Payroll Registers
 - Time and attendance records (timesheets, etc.)
3. Selection of sample of Occupancy, Other Direct Care/Program Support, Direct Admin Expenses, Agency Admin Support Allocation
 - Test of expenditures
 - Analyze supporting documents for expenses.
4. Qualification of Vendors and subcontracts

**Additional documentation can be requested if the scope of the fiscal monitoring review is expanded.*





EEC Fiscal Monitoring Visits

What happens during the visit?

- Entrance and Exit Conferences and interviews with applicable staff
- Review of child files selected in the sample;
 - Sample size based on risk score.
 - Actual file or copy
- Review of required documentation as requested in engagement letter.
- Review of attendance and billing records.

Routine Monitoring Timeline

Onsite Monitoring Review:

- Review can take 1-5 days depending on sample size.
- Exit Conference to discuss findings (if necessary) and next steps.

Onsite Monitoring Report:

- Opportunity to resolve findings prior to final report within 4 weeks.
- Monitoring review report sent to Contract Provider within 4-6 weeks.



C. Resolving EEC Fiscal Monitoring Findings



Types of Monitoring Visit Findings

Administrative Errors

- Refers to non-substantive mistakes or business processes that do not result in a change to the financial assistance amounts. These types of errors typically reflect clerical oversights, income calculation errors that do not change the family's eligibility, and the income assessment of need that does not result in a change in the financial assistance amount (Parent fee).
- **Examples:** Missing or insufficient documentation; EEC forms not signed or complete, Residency, Parent ID.

Improper Payment Errors:

- Refers to errors that affect the financial assistance amount that was determined during the client eligibility process. This error results when there is a discrepancy between the financial assistance amount determined to be correct by the reviewer(s) and the financial assistance amount as determined by the eligibility worker due to a payment that is incorrect or not authorized under applicable laws, regulations, contract terms, policies, or procedures.
- **Examples:** Double billing, Income miscalculation, Incorrect family size, incorrect determination of parent activity, citizenship determination, attendance, and billing.



Types of Monitoring Visit Findings

Internal Control Findings

- Verifying and testing the existence and implementation of the agency's internal control policies and procedures as they relate to the financial activity of the agency for the CCDF funding.
- **Examples:** Insufficient or lack of policies and procedures, segregation of duties, training, and/or record keeping.

Fiscal Management Findings

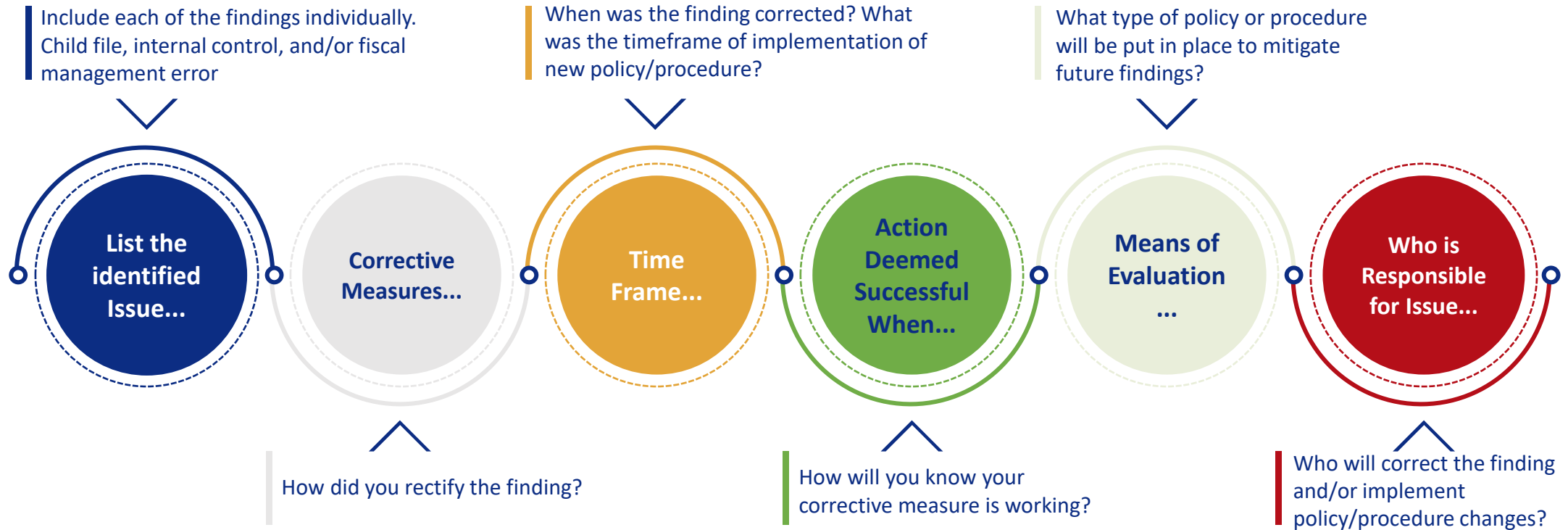
- Assurance of organization's recording keeping processes and the ability to produce supporting documentation to verify allowable cost.
- **Examples:** Unallowable/Non-reimbursable Costs, budget amendments made without approval (>10%).

How can you rectify EEC Fiscal Monitoring Visit Findings?



Step 1: Review the final monitoring visit report thoroughly so all findings are responded to accordingly.

Step 2: Use the EEC Corrective Action Plan template for your response; submit within 14 days.





Recoupment and Recovery of Funds

EEC reserves the right to recoup improper payments based on contract expectations, documented policies, regulations, and procedures.

Child Care Services: A recoupment period is any number of days that an early education and care provider or CCRR over- or under-billed for subsidized early education and care services or applied funds to non reimbursable costs.

How is it determined?

If there was an overpayment of funds from EEC to your organization those funds must be returned EEC in accordance with State Finance law.

Cost Reimbursement: A recoupment is based on funds spent on non-reimbursable costs or outside the scope of services.



Recoupment and Recovery of Funds Process

Child Care Services Recoupment (Current Fiscal Year)

- CCFA adjustment
- Receive letter from EEC Audit Unit.
- Provides details of the family, placement/authorization, time period;
- Description of the improper payment;
- Instructions on how to make adjustment in CCFA.

Child Care Services Recoupment (Prior Fiscal Year)

- Receive letter from EEC Audit Unit.
- Provides details of the family, placement/authorization, time period;
- Description of the improper payment
- Contract Provider will be placed on the Commonwealth's Billing Accounts Receivable System (BARS) which produces an invoice and/or payment plan statement.

Cost Reimbursement Recoupment (Current and Prior Fiscal Year)

- Receive letter from EEC Audit Unit
- Description of the improper payment (Non reimbursable cost)
- Contract Provider will have next reimbursement deducted or remit a check to EEC.

Child Care Services Parent Refund

- CCFA Adjustment (Current Fiscal Year) or Manual Payment Voucher (Prior Fiscal Year)
- Receive letter from EEC Audit Unit.
- Provides details of the family, placement/authorization, time period;
- Description of the improper payment
- Payment returned to parent or credit to tuition system.



D. Detecting & Reporting

Intentional Program Violations (IPV)

Detecting and Reporting Intentional Program Violations (IPV)



IPV

EEC defines an Intentional Program Violation as:

"any violation or misapplication of law, regulation, or policy governing the administration of CCDF grant funds, regardless of whether such a violation results in an improper payment. Non-documentation errors, which are the result of knowing and intentional efforts to violate the regulations and policies governing the CCDF program are considered "intentional program violations."

Provider IPV

Examples include:

Falsifying attendance records; manipulating client documents; provider not reporting permanent closure of program and still billing EEC.

Parent IPV

Examples include:

- Not reporting 2nd parent in home.
- Falsifying pay stubs, birth certificates, proof of residency, taxes, or any other legal document.



Results of EEC Monitoring visits

FY2023 Fiscal Monitoring Reviews

- **Total Files Reviewed: 1,209**
 - *Administrative Errors: 10*
 - *Improper Payment Errors: 13*
- **Types of Findings**
 1. *Missing/Insufficient Documentation (Required Forms)*
 2. *Income Calculation*
 3. *Verification of Income/Service Need*

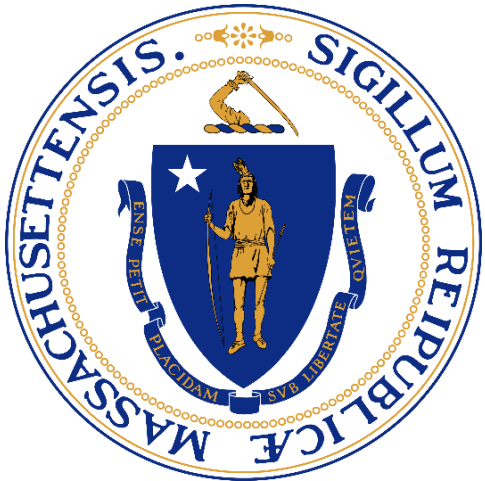
***Error Rate: 2%**

2024 Improper Payment Project

(Review period: 10/1/2022-9/30/2023)

- **Total Files Reviewed: 276**
 - *Administrative Errors: 14*
 - *Improper Payment Errors: 3*
- **Types of Findings**
 1. *Missing/Insufficient Documentation (Required Forms)*
 - a. *DCF and DTA Eligibility File review*
 2. *Income Calculation*
 3. *Verification of Income/Service Need*

***Error Rate 5%**



Section II: Administrative Procedures



A. Denials and Terminations



Notice of Denial or Termination of Financial Assistance

All families have the right to request a review by EEC of the Family Access Administrator's decision. During this review the family will have an opportunity to explain their circumstances.

A family must be issued a **Notice of Denial** when they are initially applying for Child Care Financial Assistance (CCFA), or at reauthorization.

A family must be issued a **Notice of Termination** within an authorization period or at reauthorization.



Reasons for Denials

A family must be issued a **Notice of Denial** when they are initially applying for Child Care Financial Assistance (CCFA), or at reauthorization if one of the following apply:

Denials Reasons	When to Use
Lack of service need	Doesn't have a qualifying service need
Failure to meet financial eligibility	Exceeding income or asset limits
Failure to submit required documentation	Insufficient documentation of eligibility
Substantiated fraud	Intentionally providing false or misleading documentation
Disqualification pursuant to 606 CMR 10.12	A sanction identified by EEC
Residency outside of the Commonwealth	Family no longer resides in Massachusetts



Reasons for Terminations

A family must be issued a **Notice of Termination** within an authorization period or at reauthorization if one of the following apply:

Termination Reasons	When to use
Lack of service need	Doesn't have a qualifying service need
Income above 85% SMI	Exceeding income limits
Did not follow EEC or provider policy **	This applies to placements
Substantiated fraud	Intentionally providing false or misleading documentation
Residency outside of the Commonwealth	Family no longer resides in Massachusetts
Intentional Program Violation	<ul style="list-style-type: none">• Did not report non-temporary change• Did not report income correctly• Did not give the information EEC requested• Did not pay fees**

***Termination related to parent fees only applies to the placement, NOT the Child Care Financial Assistance*



Before Issuing a Notice to a Family

All Family Access Administrator's should work with families to understand their circumstances and to avoid notices of termination or denial whenever possible by:

1

Ensuring that families understand the CCFA policies

2

Counseling families on their options and request information

3

Allowing enough time for families to be able to resolve any issues

4

Enter information into CCFA

If a Denial/Termination is issued, and a parent appeals through a Request for Review

During EEC's review process Review Officers will:

1. Communicate with the family and FAA regarding the review
2. Request documentation from the family and FAA if need
3. Issue a decision by sending a letter to the family and informing the FAA



Appeals and Sanctions

When a family submits a Request for Review, it will be entered in CCFA under the Appeals Section:

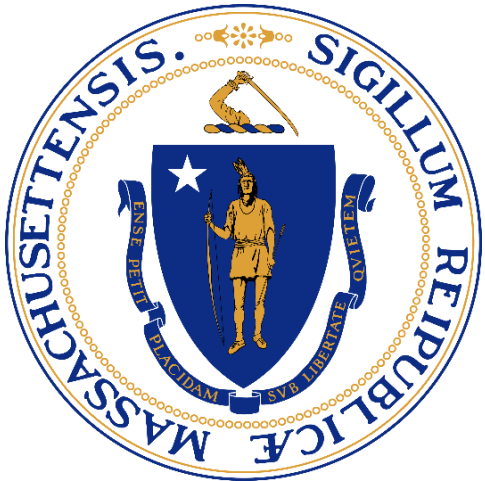
Appeals								
Name	Status	Start Date	End Date	Reasons				
[REDACTED]	OverturedTermination	2/2/2022	3/23/2022	Failure To Submit Documentation	Edit	End	Delete	
[REDACTED]	OverturedTermination	2/2/2022	3/23/2022	Failure To Submit Documentation	Edit	End	Delete	
[REDACTED]	New	6/12/2025	TBD	Nonpayment of Fees	Edit	End	Delete	

FAAs should review the status of a Request for Review and reach out to EEC if they are unsure of the current status of the Appeal.

When EEC applies a Sanction to a family, it will be entered into CCFA under the Sanctions Section:

Sanctions								
Reasons	Tier	Offense#	Effective Date	End Date	Status	Comments		
Substantiated Fraud	Tier 5	5	3/1/2025	2/29/2028	New	Failed to report 2nd parent	Edit	Delete

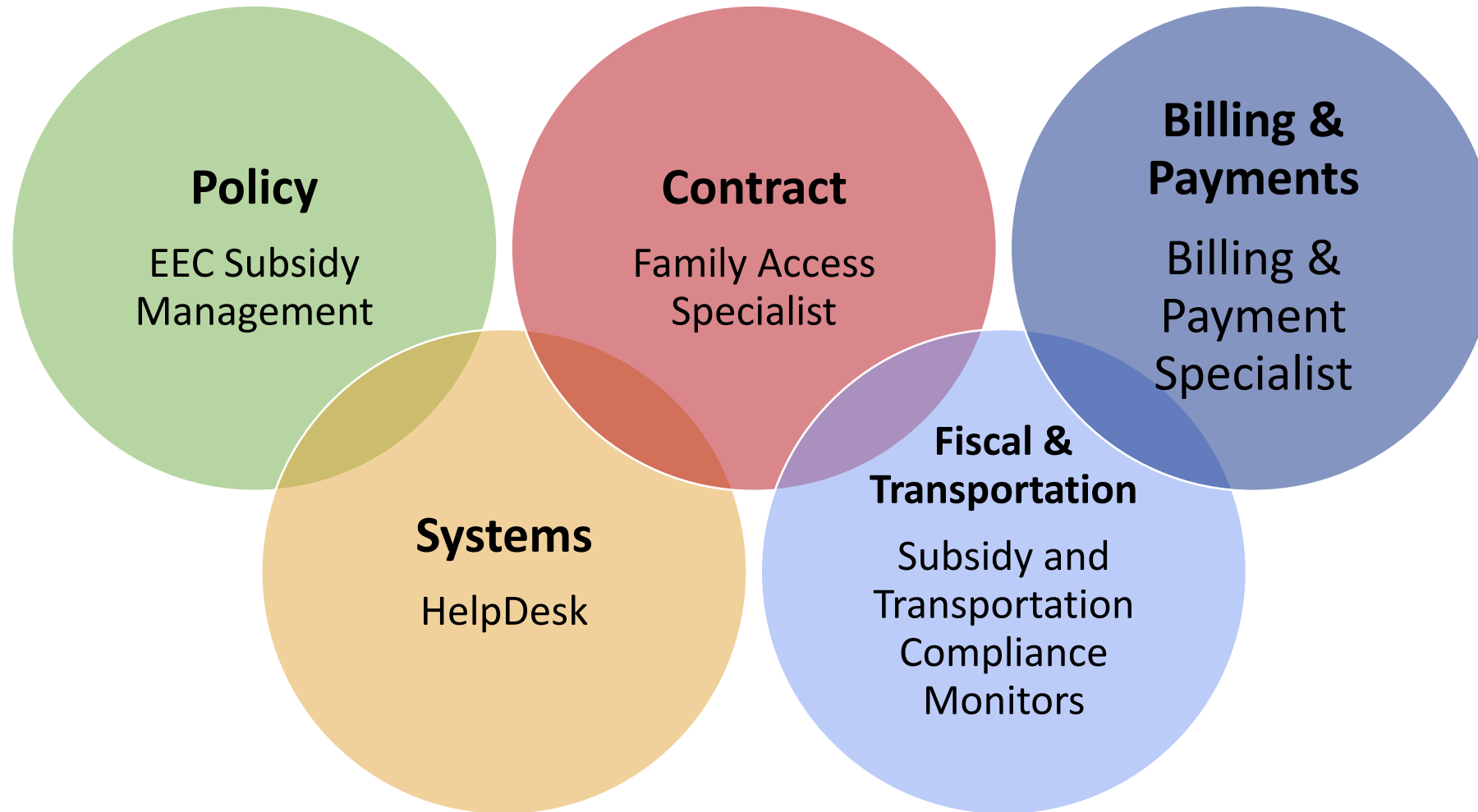
The Effective Date and End Date will give the length of the Sanction and CCFA will not allow an authorization to be entered during that time period (unless the family has a referral from DTA or DCF).



Section III: Technical Assistance and Support



EEC Units Supporting Program Integrity





Who to go to for EEC Support

CCFA Policy and Procedures

- Financial Assistance Unit supports programs through policy and technical support
- How? EECSubsidyManagement@mass.gov
 - Ensure there is an internal process to discuss EEC policy questions before sending in
 - When submitting, provide all information and documentation (if available) related to your question, include FIDs or HHIDs

Financial Management & Audit Resolution

- Fiscal Monitors
 - Ensure compliance over record keeping, internal controls, fiscal management, and transportation
- Contracts/Accounts Specialists
 - Billing, payments, contracts and amendments
- How? Directly through your assigned contact

Contract

- Family Access Specialists are your day-to-day support around contract management, utilization and overall contract/program questions
- How? Directly to your organization's assigned FAS
 - If contracting in multiple regions, assigned FAS is based on the org. umbrella address

HelpDesk

- Product & Systems teams triage requests to determine if system issue or defect
 - Works closely with program teams when intersects with EEC or needs agency approval
- How? [EEC Support Request Form](#)
- Ensure all information is provided, including any screenshots and documents, submitter should be prepared for follow-up to come from ServiceNow



THANK YOU

For your time today and your ongoing commitment to the families of the Commonwealth!