Information for child care providers: Using other funding sources with the Child Care Assistance Program

Financial help for child care is available through the Child Care Assistance Program and other funding sources, such as Early Learning Scholarships and Post-Secondary Child Care Grants. This information explains how these funding sources and the Child Care Assistance Program work together.

What are some funding sources for child care?

- The Child Care Assistance Program helps pay for child care so parents can work or go to school while ensuring children are well cared for and prepared for school. This program is for children age 12 and under, and 13- and 14-year-olds with special needs.
- Early Learning Scholarships increase access to high-quality early childhood programs for 3- and 4-year-old children with the highest needs to improve school readiness. Children age 0 to 2 are eligible if they meet certain criteria. Scholarships must be used at Parent Aware-Rated programs.
- Post-Secondary Child Care Grants provide financial assistance to students not receiving Minnesota Family Investment Program funds, who have children age 12 and under, to help pay for child care while pursuing a postsecondary education.
- There are several programs that help military families with child care.
- Other types of scholarships or financial aid may come from a variety of sources including United Way or community organizations.

What do I need to know about billing for children with other funding sources?

Families can be eligible for Child Care Assistance Program funds but not able to cover the full cost of care in a high-quality program. You are encouraged to layer Child Care Assistance Program funds with other sources to help pay for child care:

- If a child is eligible for an Early Learning Scholarship, you are encouraged to bill the Child Care Assistance Program first. You can then bill the Early Learning Scholarship for expenses not covered by the Child Care Assistance Program.
- If a family receives a Post-Secondary Child Care Grant, you are encouraged to use the Post-Secondary Child Care Grant to pay for expenses not covered by the Child Care Assistance Program.

Do not bill the Child Care Assistance Program for costs that are covered by other sources. For example, if a family’s Post-Secondary Child Care Grant amount is more than the expenses not covered by the Child Care Assistance Program, reduce your billing to the Child Care Assistance Program so that you do not bill it for costs covered by the Post-Secondary Child Care Grant.

You are responsible for keeping accurate records and ensuring you do not bill the Child Care Assistance Program for costs covered by other sources.

What are examples of child care expenses that might be paid for with other sources?

- Copays (the Child Care Assistance Program allows copays to be paid by a third party)
- Transportation or activity fees
- The amount of your charge not covered by the Child Care Assistance Program maximum rate
- Breaks or reductions in Child Care Assistance Program authorization
- Other fees
Example of Layering Child Care Assistance Program with Scholarships?

A four-star Parent Aware rated child care center charges $175 per week for a preschooler in Itasca County and the provider bills for a two week period of time. Family copay is $20 biweekly ($10 per week).

<table>
<thead>
<tr>
<th>Provider charge</th>
<th>Child Care Assistance Program payment</th>
<th>Difference between provider charge and Child Care Assistance Program payment</th>
<th>Bill to the scholarship</th>
</tr>
</thead>
<tbody>
<tr>
<td>$175</td>
<td>$147.74 (maximum rate of $157.74 minus $10 copay)</td>
<td>$27.26 per week</td>
<td>$10 (family copay) + $17.26 (rate difference) = $27.26 per week</td>
</tr>
</tbody>
</table>

How should I keep financial records?

You are required by law to maintain family-specific documentation of child care expenses paid by other sources other than the Child Care Assistance Program. The documentation must include the payment source, amount, type of expense covered and time period covered. You must provide this documentation to the county or tribal agency if requested.

You can use the Child Care Assistance Program Financial Tracking Form (DHS-5318) to document child care expenses paid by other sources. You can use the form or another method of documentation to meet the requirement.

If the child is receiving Early Learning Scholarships, you submit an invoice to your scholarship administrator. Keeping a copy of submitted invoices meets the Child Care Assistance Program requirement of maintaining family-specific documentation of child care expenses paid by other sources.

Where can I learn more?

Go to parentaware.org/learn/paying-for-care-and-education/. This site has information for families to help pay for child care and early education. It also has a link to the local scholarship administrators. You can also call Parent Aware at 888-291-9811 for help finding the right resources.

You can refer families to Parent Aware for help with child care expenses.
Attention. If you need free help interpreting this document, call the above number.

For accessible formats of this information or assistance with additional equal access to human services, write to DHS.CCAP@state.mn.us, call 651-431-3809, or use your preferred relay service. ADA1 (2-18)