



**U.S. Department of Agriculture  
Child Care Subsidy  
Administration Program  
Provider Handbook**

**U.S. Department of Agriculture (USDA)  
Child Care Subsidy Administration Program  
Statement of Understanding**

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*\*This page must be completed, signed and returned to the USDA Child Care Subsidy Administration Program to activate your program as a qualifying child care Provider who is eligible to receive Child Care Subsidy Benefits.*

**How to contact us:**

U.S. Department of Agriculture (USDA)  
Child Care Subsidy Administration Program  
2300 Main Street—2SE  
Kansas City, MO 64108  
Phone: 866-508-0371  
Fax: 816-823-5445  
Email: [childcareprovider@gsa.gov](mailto:childcareprovider@gsa.gov)

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**Department/Agency Child Care Subsidy Programs Administered by the USDA:**

- U.S. Coast Guard (USCG) - Members must be in an Active Duty Status to qualify
- General Services Administration (GSA) - Employee must be a federal employee, contractors do not qualify
- National Park Service (NPS) - Employee must be a federal employee, contractors do not qualify
- U.S. Customs and Border Protection (CBP) - Employee must be a federal employee, contractors do not qualify

**Introduction**

The Child Care Subsidy Programs that the USDA Child Care Administration Program administers were created to assist Members/Employees and income qualified Federal employees with the cost of child care. Once a Member/Employee is approved for Child Care Subsidy (CCS) Benefits, the program allows the Family to pay reduced child care costs. Child Care Providers throughout the United States and Puerto Rico who meet their state's licensing, registration or Accreditation rules may qualify to become a participating provider eligible to receive Child Care Subsidy Benefits for eligible Families. Providers and Parents must apply via the U.S. Department of Agriculture (USDA) and each party's eligibility will be determined based upon the Member's Department/Employee's Agency program guidelines.

- Members/ Employees are financially responsible for *all* child care costs until they have been notified via email of their approval for a CCS benefit. (Please note that not all Members/Employees who apply for a Child Care Subsidy Benefit are approved).
- Members/Employees are required to pay a portion of their child care costs directly to their child care provider once approved for a CCS Program Benefit
- The parent rate (parent's portion) and the amount of the Child Care Subsidy Benefit will equal the total Provider rate.

**Requirements for Child Care Providers**

Child Care Providers must meet one of the following requirements:

- Be State licensed, or
- Be Registered in the state in which your Child Care Program operates, or
- Be Accredited

*Child Care Providers have 30 days to complete the application process from the date of submission of their first document.*

*Care provided in the home where the Family/child resides is **not** authorized under any Child Care Subsidy Program guidelines.*

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**Program Responsibilities**

Once you determine that you may qualify for participation based upon the criteria above, you may apply to become a qualifying Child Care Provider under the Child Care Subsidy Programs (CCSP) that the USDA administers. The responsibilities listed below are to ensure that Child Care Subsidy benefit Program guidelines are adhered to based upon the intent of these programs.

The responsibilities for each party are outlined below.

**Provider Responsibilities:**

- 1) All providers must meet the Child Care licensing and/or Accreditation requirements for the type of child care business they operate in order to potentially become a qualifying Child Care Provider under the CCSP'S that the USDA administers. The following types of child care programs are accepted under each of the program guidelines:

**Family Child Care:**

Family child care is home-based care provided for a portion of the day in a private Family home for compensation on a regular, ongoing basis and must be inhabited by the Family/individual that is providing care. States limit the provider's hours of operation and number of children who can be cared for in a home environment. Family child care providers must be licensed by the state and the care providers must have basic training in first aid, safety, and child care, child abuse and neglect prevention.

**Center Based Child Care:**

Commercial child care centers/day care centers provide child care in a group setting for a set number of hours and provide standardized and regulated care. There are planned educational activities and children may be grouped by age or placed in mixed age groupings. Day care centers are licensed to provide care for infants, toddlers, and/or pre-school age and they are usually open all day. Classes are usually largest in this type of care; ratios of children to adult caregivers will vary according to state licensing requirements.

**Federal Based Child Care:**

Some Federal agencies sponsor on-site child care centers for their employees and families seeking to use this type of child care. The space at federal child care centers may be available to non-federal employees; however, priority for child care services will be given to federal employees.

Please note that the U.S. Coast Guard Child Care Subsidy Program benefit offered through the USDA is not available to Members who are using a USCG Child Development Center (CDC) or a Department of Defense (DOD) Child Development Center as the Member is currently paying child care rates that are comparable or equal to this program benefit.

- 2) Meet program rules and requirements in order to receive a Child Care Subsidy Benefit.
- 3) Keep complete and accurate attendance records according to licensing and accreditation regulations and/or contract requirements. Maintain records for future

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- reference as needed.
- 4) Bill for the Child Care Subsidy using the directions and invoice/attendance form as provided on or after the 15th of every month.
  - 5) Submit to the program administrator (USDA), any changes/updates to status as a licensed and/or accredited child care provider.
  - 6) Provide timely notification if/when a Member/Employee's child or children have left care.
  - 7) Provide notification if/when a Member/Employee's child's rate and/or attendance changes no later than 15 days prior to the change.
  - 8) Providers may submit **one rate** change per year and will be required to notify the USDA at least 15 days prior to the effective date of the change. Failure to promptly report updates and/or changes to your child care rates may result in an over or underpayment. Additional rate changes not associated with an attendance change or when the child ages up will not be processed.
  - 9) Must submit Invoice & Attendance records to the USDA that are properly completed and signed by both the Member/Employee, Spouse or POA along with a representative of the child care center for payment on or after the 15th of every month. Invoices not properly completed and submitted to the USDA within 3 months of the period of service, will be considered void and will not be honored for payment. In situations where invoices are not submitted within 3 months of the service period, the Provider will be held financially responsible for the CCS not paid and is not authorized to bill the Family.

**Parent Responsibilities:**

- 1) The Member/Employee will be financially responsible for all child care costs until their application for child care subsidy benefits has been approved.
- 2) Complete the application process ensuring that all required forms have been submitted to the USDA in order to determine eligibility.
- 3) Member/Employees have 30 days to complete the application process. Failure to provide all required documents with 30 days will result in the application being declined.
- 4) Meet program guidelines and use a qualifying child care provider.
- 5) Sign the USDA Invoice/Attendance form each and every month to request payment.
- 6) Pay the Family portion of child care costs directly to the provider including any additional charges for services that they may incur including field trips, non-essential supplies, late fees, etc.
- 7) Report any change to their child care needs immediately to the program administrator (USDA) and their Child Care Provider.
- 8) Report immediately any changes in:
  - Their Family's size, such as someone moving in or out of the household
  - Work, training, or education schedule
  - Their Family's address or telephone number (work and home)
  - Their Family's legal obligation to pay child support
  - Any change in marital status

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- 9) Make payment arrangements for child care needed for personal reasons that are not authorized.
- 10) Ensure that child care providers used while participating in the USDA Child Care Subsidy Administration Program are promptly paid for all child care services rendered. Failure to pay the required Member/Employee portion to any child care provider may result in the Member/Employee being disqualified from the program for one year.

**USDA Child Care Subsidy Administration Program Responsibilities as the Third Party Administrator:**

- 1) Determine a Family's eligibility for child care subsidies based upon applicable Department/Agency Child Care Subsidy Program guidance and benefit tables.
- 2) Authorize benefits based on the amount of child care needed by eligible Families for approved child care.
- 3) Pay providers for authorized and billed child care services provided to an approved Family.
- 4) Inform Families and providers of Department/Agency Child Care Subsidy Program updates as applicable. (E.g. Start/end date, payments, notifications of expired documents, etc.).
- 5) Assess and resolve overpayments and underpayments.
- 6) Answer questions related to eligibility, authorizations, and payments.
- 7) Inform the Member/Employee within 10 days of the receipt of a Family's application that their application has been accepted and is either Complete or Incomplete. If the application is incomplete, the USDA will inform the Member/Employee of the information/documents needed in order to complete the application process.

**Department/Agency Responsibilities:**

- 1) Develop operational guidance for their Child Care Subsidy Program and ensure that the USDA has the most current guidance and applicable policies.
- 2) Ensure that the USDA, as the third party program administrator, follows all established guidelines as set forth by the Department/Agency.
- 3) Perform audits on records and files ensuring proper documentation is maintained in accordance with established operational guidance.

**Child Care Qualifications: Full Time vs. Part Time**

The child/children's attendance will determine the calculation of benefits as full time or part time with the Family being responsible for any balance above the authorized benefit. The type of care and status of the Spouse/Partner must be evaluated to determine if a Child Care Subsidy benefit should be full-time, part-time, or unauthorized due to the Spouse/ Partner who is not working the required number of hours in order to qualify for CCS benefits. Full-time and part-time care is authorized based upon the Child Care Subsidy benefit tables provided by the Department/Agency to the USDA.

Both parents and providers must remain eligible for the Department/Agency Child Care Subsidy benefit in order to receive payment.

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**Child Care Subsidy Benefit Important Facts**

- The amount listed on the Child Care Subsidy Benefit Authorization Letter is the amount that will be paid monthly directly to the Child Care Provider. If the Family terminates child care and/or switches to a new Child Care Provider, the monthly Child Care Subsidy benefit is pro-rated. In either case, the Member/Employee is responsible for any remaining balance.
- During summer months, school-age child care total cost may change based upon attendance, at which time the benefit will be recalculated.
- Child care rates submitted as a weekly rate will be multiplied by 4.33 to determine the monthly rate.
- Child Care Subsidy Benefits will **NOT** pay fees for:
  - Months in which no care occurs
  - Lateness/Tardiness
  - Transportation
  - Field trips
  - Food
  - Any other miscellaneous fees
  - Tuition for part-day kindergarten and/or elementary education
- Child Care Subsidy benefits will not be made to more than one provider for the same child/children for the same hours of care.
- All child care payments are made directly to the child care provider. Payments are made within seven (7) to ten (10) business days from verification of a complete and accurate attendance record.
- Members/Employees must ensure that invoices are submitted each month in order for payment to be issued on their behalf. Invoices may be submitted by the Provider or the Member/Employee directly to USDA for payment and must be received by the USDA within 3 months of the end of the period of service in order to be processed for payment.
- Under no circumstances will child care payments be made to the Family. Families are required to make clear and concise arrangements with their child care provider related to account credits or reimbursements.
- Child care providers will only be paid for child/children listed on the Child Care Subsidy Benefit Authorization Letter. If the Family adds a child or children to the program after their original authorization date, they must submit information for program benefit recalculation.

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**Registration/Program Fees**

Providers will be paid for registration fees based upon each program as follows:

- U.S. Coast Guard: Up to \$200 per year per child as long as the Member has not exceeded the maximum benefit as authorized by the U.S. Coast Guard Child Care Subsidy Program guidelines
- GSA: Fees will be paid if the Employee has not exceeded the maximum benefit as authorized by the GSA Child Care Subsidy Program guidelines
- National Park Service (NPS): Fees are paid in full
- U.S. Customs and Border Protection (CBP): Fees are paid in full

**Child Care Subsidy Program Billing/Payment Process**

Payments are issued directly to the Family's child care provider. Each provider will receive a Child Care Subsidy Benefit Invoice & Attendance Form for each Child that qualifies for a Child Care Subsidy benefit. Per Department/Agency guidance, each Invoice & Attendance Form submitted to the USDA for payment must be properly completed and must include the signature of a qualifying Child Care Provider program official along with the Member/Employee, the Member/Employee's Spouse/Partner, or the U.S. Coast Guard Member's Power of Attorney as applicable.

Please note that if a Power of Attorney (POA) is signing their name as the POA on the form on behalf of a U.S. Coast Guard Member, the program administrator (USDA) must have a copy of the most current POA in order to process for payment.

Please see below a sample Child Care Subsidy benefit Invoice and Attendance Form which provides instructions on the completion of the form. All Invoice & Attendance Forms must be submitted to the USDA Child Care Subsidy Administration Program within 90 days/3 months of the period of service that child care was provided.

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Child Care Subsidy Program Invoice & Attendance Form																	
Provider:		ABC DAYCARE															
Address:		123 MAIN STREET ANYTOWN, USA 12345															
Remit to Address:		ABC DAYCARE 123 MAIN STREET ANYTOWN, USA 12345															
Email address:		ABCDAYCARE@MAIL.COM															
Tax ID #		12345678-00001															
Phone #		(816) 555-1234							Fax # (816) 555-5678								
Member/Employee Name		SAM SMITH															
Child Name		JENNIFER SMITH															
Month of Service																	
Attendance & Billing Record:																	
To complete the attendance record, place an "X" for each day of care provided or day that the family will be billed, "NC" for NO CHARGE or "T" if service was TERMINATED																	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15			
16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31		
Member/Family Annual Recertification Date: Monday, 01 May 2017																	
Current Child Care Cost Billing								Approved Child Care Subsidy Benefit									
Total Cost Billed		\$ _____		Total Monthly Cost		\$750.00		Less Member/Employee Portion		\$ _____		Total Member/Employee Portion		\$425.00			
Department/Agency Balance Due		\$ _____		Department/Agency Portion		\$325.00		MEMBER SHARE		\$75.00		FAMILY SHARE		\$350.00			
Provider Signature _____																	
Member/Employee Signature _____																	
Providers and/or Parents who misrepresent information used to calculate child care subsidy benefits may result in the termination of benefits and subsequent collection of benefits issued.																	
Return completed Invoice & Attendance Form via any of the following:																	
Fax: (816) 825-XXXX				Mail: U.S. Department of Agriculture				Child Care Subsidy Administration Program				2300 Main St - 2SE					
Email: childcare@gsa.gov				Kansas City, MO 64108													
Questions: (866) 506-0271																	

Example of a USDA issued Child Care Invoice & Attendance form to be used by your Child Care Program to bill the USDA Child Care Subsidy Administration Program

By signing and certifying the invoice for payment, your Child Care Program attests that the total cost written on the form is the actual amount of child care costs billed to the Member/ Employee for the period of service indicated and that the Member/Employee has paid or has made payment arrangements for their portion as listed on the invoice.

If there are any questions regarding the completion of the form, please contact the Family's assigned Agency Representative for assistance.

**Child Care Providers and the Member/Employee must ensure that the invoice correctly reflects the proper attendance in order for their Child Care Subsidy Benefit to be properly paid.**



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The USDA Childcare Subsidy Administration Program is responsible to collect erroneous payments made to Providers for the following reasons which include but are not limited to:

- Erroneous or false information regarding eligibility or care provided
- Duplicate payments or payments made for services not rendered
- Payments made for ineligible providers or families

The USDA Child Care Subsidy Administration Program will make reasonable efforts to collect overpayments making a minimum of three notifications to Providers and Families. Failure by a provider to return any requested overpayment/erroneous payment will result in a federal debt being established to collect the monies. For Members/Employees that incur an overpayment due to incorrect information submitted to the USDA which is used to calculate the benefit or a change in their status that affects their eligibility, the USDA Child Care Subsidy Administration Program will provide documentation to the Department/Agency Child Care Subsidy Program for review and action. The USDA will act on behalf of the Department/Agency for all financial decisions pertaining to Child Care Subsidy payments issued.

Families or providers who give erroneous or false information may be permanently disqualified from participating in the USDA administered Child Care Subsidy.

**Payment Reconciliation**

Member/Employees are required to pay their portion of the total child care costs directly to their providers. Neither the USDA, nor the Department/Agency has any responsibility for ensuring that the Family pays their portion. Failure of Families to pay their portion of child care costs may result in discontinued Child Care Subsidy benefits and possible removal from the Child Care Subsidy Program making them financially responsible for all child care costs. In addition, failure by the Providers to reimburse Families or credit their account for Child Care Subsidy benefits received may result in disqualification from the program and repayment of funds.

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\_\_\_\_\_  
Printed Name of Child Care Provider

\_\_\_\_\_  
Site Address City State Zip

**USDA administers the following Child Care Subsidy Programs: U.S. Coast Guard (USCG), General Services Administration (GSA), National Park Service (NPS), and the U.S. Customs and Border Protection (CBP).**

- ◆ Members/Employees are eligible for Child Care Subsidy Benefit Payments only if/when their application has been approved; therefore they are financially responsible for all child care costs until the Member/Employee and Provider have been notified via email that a Child Care Subsidy Benefit has been awarded.
- ◆ A Family participating in other subsidy or Fee Assistance programs may be eligible for a Child Care Subsidy through the USDA; however the benefit authorized by the USDA is calculated after these discounts have been applied to the standard rate.
- ◆ Invoices must be properly completed, signed and submitted to the USDA Child Care Subsidy Administration Program on a monthly basis in order for Child Care Subsidies to be paid.
- ◆ Any change to a Family's cost for any reason must be reported in advance of the change to the USDA Child Care Subsidy Administration Program as soon it has been identified. Failure to properly report this information to the USDA may result in an underpayment or overpayment of benefits and possible repayment of benefits to the USDA should an overpayment be identified.
- ◆ If your current standing with your state child care licensing authority changes or is revoked, you must report this information to the USDA Child Care Subsidy Administration Program immediately.
- ◆ By accepting a USDA issued Child Care Subsidy Benefit, you attest that you will continue to maintain a current license, letter of accreditation or registration based upon the licensing criteria as set forth by the state in which you operate your child care program. In the event that your program is exempt from licensure, you certify that you will continue to abide by the state statute that exempts your program.
- ◆ As an approved qualifying child care Provider, you agree to provide any and all information requested by the USDA Child Care Subsidy Administration Program in order to check the validity of all documents related to your application, payment, eligibility, and child care rates, invoices/attendance records and/or Family Account Statements as needed for auditing purposes.
- ◆ Due to the variation of oversight and regulation in different states and based upon official Child Care Subsidy guidance, the USDA Child Care Subsidy Administration Program reserves the right to determine which types of child care Providers in each state meet the minimum eligibility requirements for participation in a Child Care Subsidy Program.
- ◆ Any program policy infraction to include but not limited to providing incorrect child care cost, knowingly or unknowingly which causes an overpayment of a Child Care Subsidy Benefit may result in disqualification from the program. In addition repayment of monies received due to this misrepresentation will be required.
- ◆ Fraudulent statements will result in loss of the benefit and/or repayment of the amount of the benefit.

I have received, read and fully understand and agree to the conditions and requirements stated above. I further understand that failure to comply may result in disqualification from participation in Child Care Subsidy Programs administered by the USDA.

\_\_\_\_\_  
Printed Name of Program Official

\_\_\_\_\_  
Signature of Program Official

\_\_\_\_\_  
Date

**Please sign, date and return this form to the USDA Child Care Subsidy Administration Program with your application package. Child Care Providers should retain a copy of the USDA Provider Handbook and the Statement of Understanding for their records and future reference.**

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Kansas City, MO 64108  
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