

# Provider Booklet

Child Action, Inc.

Serving our community since 1976

Approved by Child Action, Inc.'s Board of Directors on June 22, 2010

**Child Action, Inc.**  
**PROVIDER BOOKLET**  
General Program Rules

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# INTRODUCTION

Welcome to Child Action, Inc. You have been selected by a parent on our program to provide child care to his or her children. Because that parent has qualified for a child care subsidy that will cover part or all of his/her child care costs we can reimburse you for the care to which that parent is eligible. In order to be reimbursed for your services, you need to be aware of and follow both Child Action, Inc.'s policies and those of the governmental agencies which provide the child care funding. The purpose of this booklet is to explain those policies to you so that you can be reimbursed in a timely fashion for the care you have provided.

## WHAT IS CHILD ACTION, INC.

Child Action, Inc. is a non-profit agency primarily funded by the California Department of Education, Child Development Division, to provide services and subsidies to income-eligible families for child care and development services. Child Action, Inc. adheres to all California Department of Education regulations governing Client Services and operates in accordance with all State of California laws governing non-profit agencies. Child Action, Inc. has two distinct departments – Client Services and Resource & Referral – both governed by the Child Action, Inc. Board of Directors. Child Action, Inc. operates on a non-discriminatory basis, giving equal access to services without regard to race, sex, color, national origin, age, religion, disability, marital status, sexual preference, gender identity, veteran's status or any other bias prohibited by law.

Child Action, Inc. offers child care subsidies and services through the programs we administer in our Client Services Program. We receive funding from the federal, state and local governments, and each of our funding sources has its own rules and regulations regarding eligibility and approvable need for child care. Therefore, it is possible that two families receiving services from Child Action, Inc. and using the same child care provider may have different rules applied to their cases.

All of our programs provide parents with a child care certificate (also referred to as "child care schedule" or "CCS") and allow them to select their own providers. Eligible families may obtain certificates/subsidies for their child until their income exceeds 75% of the State median income or until their child ages out of the program.

## WHAT IS YOUR RELATIONSHIP TO CHILD ACTION, INC.

Unless you are providing child care in the home where the child lives, you are an independent contractor selected by a parent enrolled on Child Action, Inc's Client Services Program. If you are providing care in the child's home, you are considered an in-home provider and are the employee of the parent. *[See "In-home Providers" section below.]* Nothing contained in this booklet is intended or is to be construed to create a partnership or joint venture between Child Action, Inc. and parents or providers enrolled on our program, or to make any of the aforementioned parties the agent of the other(s).

Providers enrolled on Child Action, Inc.'s program are not and will not become employees, partners, agents or principals of Child Action, Inc. Providers are not entitled to the rights or benefits afforded to Child Action, Inc. employees, including disability or unemployment insurance, workers' compensation, medical insurance, sick leave, or any other employee benefit.

Child Action, Inc. does not inspect or warrant the condition of providers' facilities or the quality of supervision the children receive. Child Action, Inc. assumes no responsibility for injury or damages arising from the performance of our agreement for services. Parents and providers agree to indemnify and hold harmless Child Action, Inc., its officers and its employees from costs, suit or liability allegedly arising from the provision of child care services.

Child Action, Inc. reserves the right to refuse enrollment to any provider who owes an outstanding debt to Child Action, Inc. (including outstanding parent fees or reimbursement for services), or has provided false or misleading information, either as a parent or a provider on our program.

***This means:***

1. You are not the employee of Child Action, Inc. You are an independent contractor or business owner who works for the parent who has selected you to be his/her child care provider. Or, as stated above, if you provide care in the child's home, you are the employee of the parent who hired you.
2. Child Action, Inc. cannot function in any way as your employer. For example, we cannot:
  - a. Verify your employment for anyone
  - b. Pay unemployment benefits
  - c. Be a reference for loans, housing, etc.
3. Child Action, Inc. does not withhold any taxes from any payments made for child care. You are responsible for your own taxes and insurance. We will issue you a Form 1099 at the end of the calendar year and send a copy to the Internal Revenue Service and the State Franchise Tax Board. It is your responsibility to file your own taxes. **It is important to note that the government will consider any money you receive from Child Action, Inc. as income and if you do not report it, you may be subject to an audit, fines and penalties.**
4. You are responsible for keeping your own business records. We recommend that as soon as you start providing care that you talk with a tax consultant that can help you set up your business records appropriately. This is important because you may be eligible to claim deductions on your tax return for business expenses.
5. As an independent contractor, you set your own rates. The State of California has set a ceiling on what Child Action, Inc. can pay, so if your rates are higher than what we can pay, the parent is responsible for paying you the difference.
6. The rates you charge Child Action, Inc. must be the same as what you charge or would charge to the general public.

## **IN-HOME PROVIDERS**

The California Department of Education Child Development Division has mandated all alternative payment programs to comply with federal labor law regulations as they pertain to in-home care. **When unlicensed child care takes place in the home where the child resides, regardless of the relationship between the provider and the child and regardless of who owns the home, the care is considered in-home.**

If child care is in-home, federal labor law considers the parent the employer and the provider the employee. The parent is required to fulfill the responsibilities of the employer by paying the legally required minimum wage (overtime if necessary), withholding any and all applicable taxes and carrying Worker's Compensation Insurance.

Child Action, Inc. must verify that minimum wage is being paid. This is possible by **one** of the following methods:

1. The parent has a certain number of children enrolled with the in-home provider and the schedules of the children are such that reimbursement to the provider by Child Action, Inc. will always be at least minimum wage and allow for overtime wages when applicable. In addition, the provider must charge an hourly rate. The parent is responsible for all the tax liabilities listed on the In-Home Provider Handout and responsible for making sure that all other requirements of an employer are met.
2. The parent may elect to submit on-going verification to Child Action, Inc. that as the employer s/he is meeting all legal requirements of an employer. Payment in this option is issued by Child Action, Inc. to the parent, and the parent has to submit the following documentation to Child Action, Inc.:
  - The parent's Employer Identification Number (EIN), issued by the Internal Revenue Service.
  - Copy of the Form I-9 filled out by the provider and kept on file by the parent.
  - A form signed by both the parent and provider that the parent paid the provider minimum wage (due monthly within 10 days after payment has been made by Child Action, Inc.).
  - A confirmation signed by the parent that s/he is complying with state and federal labor law in the hiring of the child care provider.

If you are providing child care in the child's home, be sure that you understand your rights and responsibilities to the parent who hired you.

## **WHAT IS YOUR RELATIONSHIP WITH THE PARENT**

The parent has hired you to be his/her child care provider and entrusted you with the care and well-being of his/her children. The better you communicate with the parent, the better care you will be able to provide to the children. We strongly recommend that parents visit your site and discuss with you all relevant issues related to their child's care, including:

1. Days and times when you are available to provide care.
2. Your charges for basic child care for the days/hours the parent needs.
3. Additional services you may provide (such as meals, snacks, transportation) for which the parent will have to pay.
4. Any additional costs you might expect the parent to pay.
5. How the parent wants discipline handled and whether you agree.

6. Specific needs of the child:
  - a. Is the child on any medication? If yes, what kind and what time during the day does s/he receive the medication?
  - b. Does the child have any food allergies?
  - c. Does the child have any specific health or cognitive needs?
7. Emergency information:
  - a. Who should be contacted in the case of an emergency? If the parent cannot be reached, who should be notified?
  - b. Where should the child be taken in case of an emergency?
  - c. What type of medical insurance does the family have?
  - d. Who is authorized to pick up the child from care? (Child Action, Inc. requires each parent to fill out an Authorization for Pick-Up form specifying who the parent authorizes to pick up the child; only people 18 years or older may be listed on this form.)

## **GENERAL POLICIES (REQUIRED BY STATE REGULATIONS)**

When you agree to provide care to a child receiving a child care subsidy, you agree to accept the regulations and policies set by state law, funding sources and Child Action, Inc. The purpose of this booklet is to inform you of those regulations and policies.

### **CONFIDENTIALITY OF SERVICES**

The use or disclosure of any information maintained in the families' files concerning parents or their children are limited to purposes directly connected with the administration of Child Action, Inc.'s program. No other use of this information shall be made without the parent's prior written consent unless it is subpoenaed by a court of law. Parents have access to the information in their family's file.

### **PARENT CHOICE POLICY**

Child Action, Inc. is a parent choice program which means it is the parent's responsibility to select a provider for her/his children. The facility chosen by the parent must be licensed and/or operating in accordance with applicable State of California laws or codes. Child Action, Inc. never places children in the care of providers.

Parents may change their care settings to meet their needs but they are required to provide Child Action, Inc. with a ten (10) working day notice, and parents must give their providers notice in accordance with their provider's rules. Changes are always contingent upon the availability of funds. Child Action, Inc. does not pay for notice time if no care was used. Provider changes are only effective with prior approval.

### **PARENT'S RIGHTS TO INFORMATION REGARDING PROVIDERS**

Oliver's Law (AB 458 Zettel) requires all child care resource and referral programs and alternative payment programs to advise every person who requests a child care referral of his or her right to view the licensing information of a licensed child day care facility.

Parents who choose a licensed provider have the right and responsibility to view any licensing information regarding site visits to their provider's facility or records related to any substantiated or inconclusive complaints about the child care provider that they select to care for their children. This information is public and licensed providers are required by State law to make these records accessible to parents. In addition, state law requires licensed providers to provide parents with a Notification of Parents' Rights form.

For information about licensed providers, parents may call Day Care Licensing at (916) 875-2808 regarding family child care homes and Community Care Licensing at (916) 229-4530 regarding child care centers. Child Action, Inc. strongly recommends that parents review a potential child care provider's licensing history before placing their child in care.

Parents who choose a child care program exempt from licensure (such as a parent co-op, recreation program, or community-based program) should ask the program staff about their complaint policies.

Parents who choose a non-licensed child care provider have the ongoing responsibility to see that their provider continually meets required basic health and safety standards as stated in Child Action, Inc.'s Non-Licensed Child Care Provider Statement, which both parents and providers are required to sign.

Megan's Law (AB 488 Parra) provides the public with internet access to detailed information on registered sex offenders. Parents can visit the Department of Justice "Registered Sex Offender" database at [www.meganslaw.ca.gov](http://www.meganslaw.ca.gov).

## **PROVIDER PARTICIPATION POLICY**

State regulations specify certain criteria that providers must meet in order to be reimbursed for child care services. These criteria are:

1. Be licensed or exempt from licensure. For licensed providers, Child Action, Inc. must have a copy of the current license in our files in order to make payment.
2. Provide care in Sacramento County or provide care to families residing in Sacramento County.
3. Operate on a nondiscriminatory basis, giving equal treatment and access to services without regard to race, sex, color, creed, religion, national origin or ancestry.
4. Have a pre-printed rate sheet showing the rates that the provider charges for services.
5. Allow parents, during normal business hours or when the child is in care, unlimited access to their children and written records regarding their children.
6. Complete a W-9 form for Internal Revenue Reporting.
7. Be at least 18 years old.
8. Be free of active tuberculosis.
9. Cannot have been convicted of any crime involving violence against, abuse or neglect of children.
10. Not be a member of the child's assistance unit or counted in the family size.
11. Agree to maintain confidentiality regarding all children and families receiving services.
12. Report if location of care changes and/or if provider's address changes.
13. Report when ownership of facility changes (child care center).

Child Action, Inc. will ask you to submit documentation of the above requirements in order to assure that we are following state regulations.

## **TRUSTLINE**

State law requires all non-licensed child care providers (other than the child's aunt, uncle or grandparent) to be TrustLine registered before they can be reimbursed for services. The TrustLine process, which consists of a background check conducted by the California Department of Social Services, can take as little as a few days or as long as a year or more, depending on circumstances. TrustLine registration is granted once a provider clears the background check.

This means that if you are not licensed or the child's aunt, uncle or grandparent, you will need to fill out a TrustLine application form, be live-scanned (electronic fingerprinting), complete a Criminal History form, and wait for the background check to be completed before we can reimburse you for any services. If you are the aunt, uncle or grandparent, you will be asked to provide documentation of your relationship to the child.

State law prohibits Child Action, Inc. from paying providers whose TrustLine application is initially denied or closed. So if your TrustLine application is not approved, we will never be able to pay you for services.

In addition, if a provider's TrustLine is ever revoked, we will stop payment immediately. If a provider's TrustLine is denied, closed or revoked, Child Action, Inc. will not issue payment regardless of the provider's relationship to the child(ren). Once you are TrustLine registered, you do not need to reapply even if you are caring for different children; however, if any future actions on your part result in your TrustLine being revoked or if you are licensed and your license is suspended or revoked, Child Action, Inc. will be notified and we will stop payment immediately.

**NOTE:** Once a provider is enrolled, Child Action, Inc. will terminate payment if we are notified of any of the following:

- a. TrustLine case has been closed, denied or revoked.
- b. Provider has active or contagious tuberculosis.
- c. Provider has been convicted of any crime involving violence against, or abuse or neglect of children.

This policy applies regardless of the relationship of the provider to the parent.

## ATTENDANCE REPORTING

The California Department of Education has very specific requirements for the recording of attendance for subsidy reimbursement. CDE requires parents to maintain a daily sign-in and sign-out record (attendance form) for each child on Child Action, Inc.'s program.

- Attendance forms should be kept with providers and are the only form of documentation accepted for billing. (A sample attendance form is included at the end of this booklet.)
- Child Action, Inc. requires that parents sign and submit an Authorization for Pick Up form that indicates who has authorization to pick up their children. Only adults 18 years and older may sign children in or out of care. Parents should also give you this information so you will know who the parent has authorized to sign their children in and out of care.
- Child Action, Inc. issues an attendance form for each child for each month. Only care for the specified month should be documented on the attendance form. Care for two months should never overlap on one attendance form. If you have not received an attendance form by the time care has started, you should have the parent contact her/his Child Action, Inc. case manager immediately.
- Attendance forms must be signed daily. Whoever brings the child to care and picks the child up from care should sign the attendance forms. You should never sign attendance forms for parents, unless you are taking the child to school or picking the child up from school, in which case you should sign your own name, not the parent's name.

- It is a violation of state regulations for providers to ask parents to pre- or post-sign attendance forms. If the calendar portion of the attendance form appears to have been signed all at once and not on a daily basis, Child Action, Inc. may not be able to issue payment, and you will have to seek payment directly from the parent.
- If the parent makes a mistake on the attendance form (for example, signs on the wrong date), s/he should cross out the error and initial it, and fill in the correct information.
- If the parent uses care that is not authorized on the child care schedule, the parent will be responsible to pay you for that care.

Two complete signatures are required to document the time a child first arrives at your facility and the final time the child leaves. Children that use care before and after school will have additional in and out times and initials listed in the split schedule section of the attendance form.

If a child is absent or does not use scheduled care, the parent or authorized pick-up person must fill in the “Reason Code” box with one of the following codes:

| Provider Closed All or Part of the Day | All Ages – Child Absent From Care or In Care for Fewer Hours |  | School-Aged Children <u>Only</u> (In Care for More Hours) |   |
|--|--|--|---|---|
| <b>C</b>                               | <b>S</b>   | Child or family member sick, at Dr.'s appointment, attending a funeral, or absent for other medically-related reason | <b>S</b>  | Child ill; did not attend school, or was in care earlier because of illness |
|  | <b>A</b>   | Other absences (e.g. child/parent vacation, visiting relative, or other personal reason)                             | <b>M</b>  | Minimum Day   |

1. The “**C**” code is to be used when you are closed or unavailable to provide care for all or part of a scheduled day of care.
2. The “**S**” code is to be used when:
  - a. Any child is absent from care or uses fewer hours than scheduled due to a medically-related reason.
  - b. A school-aged child is ill on a school day and is in care for more hours because of the illness.
3. The “**A**” code is to be used when a child is absent from care or uses fewer hours than scheduled due to a non-medical reason.
4. The “**M**” code is to be used for school-aged children only. It explains why a school-aged child used more hours on a school day (but within the approved hours on the CCS). It can also be used to explain why a kindergartner’s school hours and child care hours change on a minimum day.

**NOTE:** Unexplained absences or hours that do not correspond to the child care schedule will not be paid.

Attendance forms are paid on a first come, first serve basis. Child Action, Inc. makes every attempt to issue payments within ten (10) working days of receipt of attendance forms. Attendance forms are checked each month to make sure that state rules have been followed in filling them out.

1. The attendance form must be complete, accurate and received by Child Action, Inc. **no later than 5:00 p.m. on the fifteenth (15<sup>th</sup>) of the month following service.** If the fifteenth of the month falls on a weekend or holiday, forms must be returned no later than the last working day before the fifteenth.  
**Payment will NOT be made for attendance forms received in a Child Action, Inc. office later than 5:00 p.m. on the 15<sup>th</sup> of the month.**
2. A child must be signed **in and out** each day as care is provided.
3. If a child is scheduled for before-school care only, you may sign the child out of care.
4. If a child is scheduled for after-school care only, you may sign the child into care.
5. If a child is scheduled for before and after school, you may initial next to the times the child leaves for and returns from school.
6. When the last day of care for the month has been provided, the billing side must be signed and dated by you and the **enrolled parent** (not the authorized pick-up person).

**NOTE:**

- Child Action, Inc. can only pay for charges listed on the provider's billing statement on the front of the attendance form. You must list your charges by week. We will not pay for additional charges that are not listed on the attendance form.
- Since attendance forms may not be pre-signed or pre-dated, Child Action, Inc. will not pay for days/hours of care provided after the attendance form has been turned in.
- The hours recorded on the attendance form must be the hours the child was actually in care. If the hours of care differ from those on the CCS, the parent should use the appropriate reason code to explain the discrepancy. If the CCS no longer reflects the child care needs, the parent must notify his/her case manager immediately.
- Do not alter or change Child Action, Inc.'s attendance form. Do not use "white out" on the form
- Child Action, Inc. will not accept any photocopied or faxed attendance forms.

## PROVIDER RATES

As an independent contractor, you set your own rates. You should discuss those rates with the parent to whom you are providing service so that the parent understands the costs of your services.

While the California Department of Education (CDE) does not set provider rates, they do require that:

- All providers must have a pre-printed rate sheet on file at Child Action, Inc. that states the rates they charge non-subsidized children.
- Every child on Child Action, Inc.'s program must have a child care certificate stating the days/hours of authorized care and the agreed upon rate of reimbursement for that child.
- Providers cannot charge subsidized families more for their services than they charge non-subsidized families.
- Child Action, Inc. cannot provide reimbursements that exceed the ceiling (CAPS) [See "CAPS" section below]
- Non-licensed providers can only be reimbursed for direct services rendered.

## **CAPS**

The State of California conducts regular surveys of providers throughout the state to determine the average cost of care per region. Based on these figures, they set a ceiling on the amount that agencies such as ours can reimburse for child care. We refer to this ceiling as the CAPS. Child Action, Inc. can pay provider rates as long as they do not exceed the CAPS. If a provider's charge is over the CAP, the provider may collect the difference from the parent. Child Action, Inc. is not responsible for the parent's balance of payment. The payment from Child Action, Inc. shall be considered the full payment obligation incurred by Child Action, Inc.

## **PROVIDER REIMBURSEMENT**

Child Action, Inc. is bound by the regulations that govern all alternative payment programs. The regulations stipulate the conditions under which we can or cannot reimburse child care providers. Under these regulations, Child Action, Inc **cannot** reimburse providers:

1. In advance of services rendered.
2. Until they have completed all the necessary paperwork for reimbursement.
3. Unless the parent has enrolled on our program and has a written child care schedule approved by Child Action, Inc.
4. If the information in their file is not current.
5. If attendance forms are incomplete and/or not signed (this includes missing times or any days that do not indicate the reason for absence).
6. If the parent or provider refuses to sign the attendance form.
7. If any information on the attendance form is false or inaccurate.
8. If attendance forms are received after 5:00 pm on the fifteenth (15<sup>th</sup>) of the month.
9. For any unexplained discrepancies between the child care schedule and the attendance form.
10. For any unexplained absences.
11. If the child is suspended from child care.
12. If the parent or Child Action, Inc. ends the agreement for services.

**Child Action, Inc. does not pay for any bills incurred before a family is enrolled on our program or after Child Action, Inc. has terminated services to the family. The dates of payment eligibility appear on the CCS. If services to the parent are terminated before the end date on the CCS, the CCS is no longer in effect.**

## **METHODS OF PAYMENT**

Child Action, Inc. makes payment to providers through our Direct Deposit Program which electronically transfers money into the financial account of your choosing.

Providers have three choices for Direct Deposit:

- Checking Account
- Savings Account
- Pre-Approved Skylight Debit Card Account

The Skylight Account allows providers who do not have a bank account to participate in the Direct Deposit Program. The Skylight Account is a pre-approved bank account accessed through an ATM/debit card. No credit check is necessary. The card may be used at virtually any ATM and at nearly any merchant location where PIN-based debit transactions are accepted.

To get more information about the Direct Deposit Program, go to the Subsidy Programs section of our website at [www.childaction.org](http://www.childaction.org), or contact Provider Department staff at one of our client services offices.

## **NON-REIMBURSABLE CHARGES**

The State of California determines which costs are reimbursable as a child care subsidy. You may have other services that the parent might want to use, but Child Action, Inc. will not be able to pay for them. If the parent selects services for which Child Action, Inc. cannot pay, you will need to make arrangements to bill the parent directly for these additional services.

### **Child Action, Inc. does not pay for the following charges:**

1. Transportation charges.
2. Books or educational materials.
3. Private school costs or tuition.
4. Late fees.
5. Notice time when care is not used.
6. Fees for supplies.
7. Field trips.
8. Meals.
9. Time when the child is suspended from care.
10. Days in excess of ten (10) per fiscal year for provider non-operation (e.g., vacations, holidays, or when provider is otherwise unavailable).
11. Days in excess of ten (10) per fiscal year for medically-unrelated absences (licensed providers who charge for absences).

## **RATE INCREASES**

State regulations stipulate that subsidized child care agencies can only honor one rate increase per fiscal year (July 1 – June 30). Child Action, Inc. requires a 30-day written notice for all rate increases, which means that we will pay the increased rate on the first day of the month following notification (provided that it does not exceed the CAP). For example, if you have a rate increase that is effective on September 1<sup>st</sup>, you need to send us written notification no later than August 1<sup>st</sup>.

When Child Action, Inc. receives notification of a rate increase, we enter the information into our system and send you a new rate agreement to sign. We cannot pay the new rate until you have signed and returned your new rate agreement.

Approval of rate increases is subject to availability of funds.

**NOTE:** Child Action, Inc. may require any additional documentation necessary to establish that providers are charging the same rates for subsidized children that they are charging non-subsidized families.

## **STOP CHECK PAYMENT POLICY**

Although Child Action, Inc. uses direct deposit to pay providers, occasionally circumstances require us to issue a check. In that case, if the check is lost, Child Action, Inc. will only process a stop payment request thirty (30) days after the check was issued. We will reissue a new check five (5) days after receiving confirmation from the bank that the stop payment was processed.

## **PARENT FEES**

Parents may be required to pay a portion of their child care costs, referred to as the parent fee. Parent fees are assessed on a sliding scale for each day the child is enrolled in care. Parent fee amounts are established by the State of California and determined by the family's gross monthly income, adjusted for family size, and whether the child is **enrolled** for full time (6 hours or more per day) or part time (less than 6 hours per day) care as defined by the California Department of Education.

Child Action, Inc. collects any parent fees directly from the parent.

## **REIMBURSEMENT FOR ABSENCES**

Child Action, Inc. can pay licensed providers for holidays, absences and vacations as follows:

1. The first ten (10) closure days per fiscal year (days coded as “**C**”) when no care is used.
2. The first ten (10) medically-unrelated absence days per fiscal year (days coded as “**A**”) when no care is used.

Payment is based on what the provider charges non-subsidized families and the rate listed on the child care schedule.

Child Action, Inc. can only pay non-licensed providers for the actual care they provide and cannot pay for hours or days for which the provider did not provide care or was unavailable to provide care.

In addition:

1. Child Action, Inc. reserves the right to refuse to pay for unexplained absences.
2. Child Action, Inc. does not pay for notice time to the provider if no care is used.
3. If there are excessive absences, Child Action, Inc. will reevaluate the child's need for care, and care may be discontinued or the child care schedule may be rewritten to reflect more appropriate hours and days of care needed.

## **PARENT LEAVE OF ABSENCE POLICY**

A parent may receive a leave of absence from Child Action, Inc.'s program. The leave may not exceed twelve (12) weeks for non-medical reasons or sixteen (16) weeks for medical reasons. Child Action, Inc. does not pay for care during leaves. You are not required to hold spots for children whose parents are on leave.

## **PARENT SERVICE INACTIVITY**

Parents receiving Stage 1 or Stage 2 funds may experience temporary periods of ineligibility as they complete their CalWORKs activities. When this occurs, instead of issuing the parent a leave of absence, Child Action, Inc. will inactivate the parent's file and cease making payments for child care until the file is reactivated. You will be notified of these periods of ineligibility and when child care may resume. You are not required to hold the child's spot while the parent is inactive. Child care schedules will clearly state the periods of approved care; you should take careful note of these dates when you receive a new child care schedule.

## **FRAUD POLICY**

The California Department of Education requires Child Action, Inc. to inform all families receiving subsidized child care services that if child care funds are obtained by providing fraudulent or incomplete information or by willingly omitting information, Child Action, Inc. shall actively pursue legal channels to recover the funds paid out for the child care services.

Any fraudulent, false or misleading information provided to Child Action, Inc. regarding resident address, usage of care, employment or student status, income, or eligibility relating to medical incapacitation will be grounds for the family's termination from the program and will be cause for Child Action, Inc. to recover funds, which may include a repayment plan. As a State- and County-funded program, Child Action, Inc. retains the right to share information or to verify documentation supplied by the parent or provider with any applicable State or County agency including, but not limited to, Department of Human Assistance, Community Care Licensing, Child Protective Services or the District Attorney's office.

If an investigation reveals that the provider was involved in the fraud, s/he could also be prosecuted and liable for cost recovery.

## **TAX REQUIREMENTS AND REPORTING**

Child Action, Inc. reports payments to providers of \$600.00 or more during the calendar year to both the Federal and State governments. At the end of each calendar year, you will be sent a Form 1099 (statement of non-employee earnings) stating the total money you received from Child Action, Inc. during the calendar year. Copies of the Form 1099 are sent to the IRS (Federal government) and to the Franchise Tax Board (State government). You are required to claim those earnings when you file your income taxes. If you do not claim those earnings, you will likely be audited and may be liable for fines and penalties for failure to report income. Child Action, Inc. is not responsible for any tax liabilities you might have.

Additionally, Child Action, Inc. is required to report all independent contractors to the State Employment Development Department (EDD) for the purpose of child support enforcement.

**NOTE:**

- Any disputes you may have with any tax auditing organization are your responsibility. As stated in the Independent Contractor's Agreement that you signed, you hold Child Action, Inc. harmless in any disputes over tax liabilities.
- If someone else uses your identity to receive child care payments, you will still be considered liable by the State and Federal government for tax purposes. It will be up to you to convince them that you did not receive the money. Child Action, Inc. has no authority or investigative powers to assist providers in this matter.
- Child Action, Inc. strongly advises parents or providers who have questions or concerns regarding the potential tax consequences of their child care payments to contact a qualified professional, the Internal Revenue Service (IRS) or the California Employment Development Department (EDD).

**PARENT—TERMINATION/DISCONTINUANCE OF SERVICE**

Parents may end their services with their provider either because they no longer want to use that provider or because they are no longer eligible to receive child care subsidies. Child Action, Inc. asks parents to give their providers advanced notice whenever possible. You should make each parent using your services aware of any notice time payment requirements you have because Child Action, Inc. is unable to pay for notice time unless care is used. If you expect to be paid for notice time, you need to make that arrangement with the parent. You have the right to ask families using your services to leave your facility or home for any reason.

**PROVIDER DISENROLLMENT**

State laws require that Child Action, Inc. take action should any of the following conditions occur:

**License Expiration/Revocation/Suspension/Probation for any licensed facility****a. Revocation/Suspension**

If a provider's license is revoked or suspended, Child Action, Inc. will cease to reimburse the provider as of the date of the revocation or suspension. The parent and the provider will be notified in writing that payment has been terminated and the reason for the termination. In order to continue receiving services from Child Action, Inc., the parent will have to select a different provider. A provider who has a license revocation or suspension cannot be reimbursed by Child Action, Inc. as a non-licensed provider regardless of his/her relationship to the child(ren).

**b. Probation**

If a provider is placed on probation, Child Action, Inc. will notify the parent of the provider's probation status and explain that the parent has the option to select another provider or remain with her/his current provider without risk of being terminated from the program. Child Action, Inc. will not approve services for new families with this provider during the probationary period.

## **Change of Location**

- a. Licensed Providers: Child care licenses are not transferable. Any time a provider moves, s/he must apply for another license. When the new facility is licensed, Child Action, Inc. requires a new Provider Information Sheet, Provider Statement of Understanding, and copy of the new license. In order to continue receiving subsidy payments, the provider must notify Child Action, Inc. prior to moving. If there is a time lapse between the provider's new and old license, no payment can be made for that time.
- b. Non-Licensed Providers: If care is provided in the parent's home, Child Action, Inc. must be informed if/when the parent moves. If care is provided in the provider's home, the provider must notify Child Action, Inc. prior to moving. In both cases, we will require that the provider update forms necessary in her/his file.

## **Change of Ownership**

Any time a child care center changes ownership through a sale, transfer or any other means, it must be re-licensed. The Provider Statement of Understanding and Provider Information Sheet are not transferable. Child Action, Inc. cannot issue payment if we do not have a new license, a new rate sheet, a new Provider Statement of Understanding and a new Provider Information Sheet.

## **TrustLine Denial/Revocation/Closure**

State law prohibits Child Action, Inc. from paying a provider whose TrustLine application is initially denied or closed. In addition, if a provider's TrustLine is ever revoked, we will stop payment immediately. If a provider's TrustLine is denied, closed or revoked, Child Action, Inc. will not issue payment regardless of the provider's relationship to the child(ren).

- a. Denial of TrustLine usually means that the provider's application has not been approved because the provider has been convicted of a felony that would preclude him/her from safely caring for children.
- b. Revocation of TrustLine means that a TrustLine application was previously approved but has been revoked, usually because the provider has committed a felony after the initial approval.
- c. Closure of TrustLine means that the application cannot be approved, usually because part of the application is missing.

In addition, Child Action, Inc. will no longer do business with a provider who does any of the following:

1. Violation of any rules listed on the Provider Statement of Understanding.
2. Falsification or submission of falsified information or attendance forms.
3. Failure to supply Child Action, Inc. with required documents.
4. Forgery of any signatures on any documentation.
5. Behavior that endangers the health/safety/welfare of any child in her/his care.
6. Use of abusive or vulgar language, attempts to bribe, coerce, extort or threaten any Child Action, Inc. employee or client.

Child Action, Inc. will give written notice of disenrollment. Whenever possible we will give providers a two-week notice; however, the severity of the infraction will determine the timeliness of the notice. For example, license suspension, revocation, and expiration will lead to immediate disenrollment. The notice outlines the infraction and the reasons for disenrollment.

## **PROVIDER REQUEST FOR RESOLUTION**

If providers are dissatisfied with a decision made by Child Action, Inc., they should contact the Quality Control (QC) supervisor at the region where the parent's case resides within fifteen (15) working days of the decision. If a provider remains dissatisfied after discussing the issue, the QC supervisor will send the provider a *Provider Request for Resolution* form. Providers should complete this form and mail it to Child Action, Inc.'s administrative offices, located at 9800 Old Winery Place, Sacramento, California, 95827, within fifteen (15) working days. Child Action, Inc.'s management team will address the matter upon receipt.

If you ever have questions or need assistance, please contact Child Action, Inc.'s Provider Department or the family's case manager.

**Child Action, Inc. strives to assist families enrolled on our program to reach their goals, and we look forward to working with the providers they choose to care for their children.**

# Child Action, Inc.

## Client Services

### Sample Attendance Form

Please sign child in and out of care daily. A full signature is required.

1. Payment will be processed within 10 working days of receipt of attendance form.
2. Any forms received after the 15th of the month will **not** be paid.
3. Notify us if this child is absent for three consecutive days or more.
4. Only list hours that the child **actually used** each day. Incomplete or inaccurate attendance forms will not be paid.
5. Do **not** use "white-out." Days marked with "white-out" will not be paid.
6. Each day the child does not use care as scheduled, enter one of the codes listed below in the "Reason Code" box on the back page.

| Provider Closed All or Part of the Day  | All Ages – Child Absent From Care or In Care for <i>FEWER</i> Hours | School-aged Only – Child in Care for <i>MORE</i> hours   |          |
|---|---|--|----------|
| <b>C</b>  | <b>S</b>  | Child or family member sick, at Dr.'s appointment, attending a funeral, or absent for other medically-related reason | <b>S</b> |
|   | <b>A</b>  | Other absences (e.g. child/parent vacation, visiting relative, or other personal reason)                             | <b>M</b> |
| <input type="radio"/> For holidays when the provider is closed, use the "C" code<br><input type="radio"/> For holidays when the provider is open, but the child is absent, use the "A" or "S" code, whichever is applicable |   | <input type="radio"/> For care used on a nonschool day, do <b>NOT</b> enter a code                                   |          |

**Provider Billing:**

Please fill out your billing amount in the appropriate categories. Please bill **your** rate. Do not bill the CAPS. (**Note:** All charges must appear on your rate sheet and the child care certificate if you wish us to consider payment.)

- Monthly Rate: \$ \_\_\_\_\_ / month
- Weekly Rate: Wk1 \$ \_\_\_\_\_ Wk2 \$ \_\_\_\_\_ Wk3 \$ \_\_\_\_\_ Wk4 \$ \_\_\_\_\_
- Daily Rate: \$ 20 / day [X] 4 # of days
- \$ \_\_\_\_\_ / day [X] \_\_\_\_\_ # of days (if applicable)
- Hourly Rate: \$ \_\_\_\_\_ / hour [X] \_\_\_\_\_ # of hours
- \$ \_\_\_\_\_ / hour [X] \_\_\_\_\_ # of hours (if applicable)

The **provider** must check the type of rate used and fill in the rate amount. In this example, the provider's rate is \$20/day when the child uses care on a school day. (Note that the amount entered as the provider's rate should always be the rate the provider charges for services and not the state

**Other Charges (if applicable):**

The **provider** must record any additional charges, including registration fees.

- In-service Days: \$ 30 / (day/hour) [X] 1 # (days/hours) Specify dates: 9/1
- Minimum Days: \$ 25 / (day/hour) [X] 1 # (days/hours) Specify dates: 9/10
- Registration Fee: \$ \_\_\_\_\_


**YOU MUST SIGN AND DATE THIS SECTION OF THE ATTENDANCE FORM ON OR AFTER THE LAST DAY OF CARE PROVIDED DURING THE MONTH OR IT WILL BE CONSIDERED INCOMPLETE.**

I (the parent/provider) declare under penalty of perjury under the laws of the United States and the State of California that the facts contained in this attendance form are true, correct and complete for the entire month and that the provider named in this form provided the child care.

Olga Doe \_\_\_\_\_ 9/30/09 \_\_\_\_\_  
 Provider Signature Date

Jane Smith \_\_\_\_\_ 9-30-09 \_\_\_\_\_  
 Parent Signature Date

**The front of the Attendance Form must be signed and dated by both provider and parent.** Providers and parents should make sure to sign at the end of the month so they can accurately verify the total hours of care used. Child Action, Inc. will not pay for days/hours that occur after the Attendance Form has been turned in or past the date of the signatures. Providers and parents should sign just as they would a check, and must sign for themselves only.

| Sign in daily |         |  |   | Use if child has split schedule |         |          |          | Sign out daily                            |             |   | Office Use Only |
|---------------|---------|--|---|---------------------------------|---------|----------|----------|---|-------------|---|-----------------|
| Date          | Time In | Full signature of adult signing in child | Time Out  | Initials                        | Time In | Initials | Time Out | Full signature of adult signing out child | Reason Code |   |                 |
| M             | 9/1     | 7:05                                     | Jane Smith  |                                 |         |          |          | 5:15                                      | Jane Smith  |   |                 |
| T             | 9/2     |  |   |                                 |         |          |          |   |             |   |                 |
| W             | 9/3     | 7:10                                     | Jane Smith  | 7:50                            | OD      | 2:35     | OD       | 4:40                                      | Jane Smith  |   |                 |
| Th            | 9/4     |  |   |                                 |         |          |          |   |             |   |                 |
| F             | 9/5     | 7:00                                     |  | 7:50                            | OD      | 2:35     | OD       | 4:50                                      | Jane Smith  |   |                 |
| Sa            | 9/6     |  |   |                                 |         |          |          |   |             |   |                 |
| Su            | 9/7     |  |   |                                 |         |          |          |   |             |   |                 |
| M             | 9/8     | 2:35                                     | Olga Doe  |                                 |         |          |          | 5:00                                      | Jane Smith  |   |                 |
| T             | 9/9     |  |   |                                 |         |          |          |   |             |   |                 |
| W             | 9/10    | 12:15                                    | Olga Doe  |                                 |         |          |          | 5:00                                      | Jane Smith  | M |                 |
| Th            | 9/11    |  |   |                                 |         |          |          |   |             |   |                 |
| F             | 9/12    |  |   |                                 |         |          |          |   |             | C |                 |

**Refer to each example above by the date listed.** The parent is Jane Smith and the provider is Olga Doe. The child is scheduled to use care every Monday, Wednesday and Friday from 7am-5pm. School hours are 7:50am-2:35pm. Each day the child is scheduled must have complete times and signatures or have a reason code entered.

|      |  |
|------|--|
| 9/1  | Example of non-school hours. Children must be signed <b><u>both in and out of care</u></b> by an authorized person each day care is provided.  |
| 9/3  | Example of before and after school care. The parent's signature verifies the time the child was dropped off (7:10) and picked up (4:40) from the provider's facility. The provider's initials confirm the time the child was dropped off (7:50) and picked up (2:35) from school.  |
| 9/5  | <b>Two</b> signatures are required each day that a child uses care. Because there is a missing signature in the first "Time In" box, this day is considered incomplete and <b>cannot</b> be paid. Likewise, days with missing in or out times cannot be paid.  |
| 9/8  | If care is after school only and if the provider picks up the child from school, the provider must sign in the child in the first "Time In" box. The person authorized to pick up the child from the provider's facility must sign the "Time Out" box. If care is before school only, the person authorized to drop off the child must sign in the child in the first "Time In" box. If the provider sends the child off to school, the provider must sign in the "Time Out" section. For before or after only care situations, do not use the split schedule section. Full signatures must be used in the applicable sign in/sign out sections. |
| 9/10 | The "M" code designates a minimum school day. It explains why the child was in care at 12:15 on a school day when the child is usually in care at 2:35.  |
| 9/12 | The "C" code designates when care is not used because the provider was closed. For holidays when the provider is closed, use the "C" code. For holidays when the provider is open, but the child is absent, use the "A" or "S" code, whichever is applicable.  |

# Child Action, Inc. Locations

## Client Services and Resource & Referral

9961 Horn Road  
Sacramento, CA 95827  
(916) 369-0191

## Client Services

2330 Glendale Lane, Suite 150  
Sacramento, CA 95825  
(916) 921-5345

## Client Services

1174 National Drive, Suite 40  
Sacramento, CA 95834  
(916) 928-3018

## Client Services

5450 Power Inn Road, Suite G  
Sacramento, CA 95820  
(916) 381-1549

## Parent Fee Office

9800 Old Winery Place  
Sacramento, CA 95827  
(916) 369-4470



**Visit us online  
at [www.childaction.org](http://www.childaction.org)!**