



**Early Learning Coalition of Southwest Florida, Inc.**

<b>Subject:</b> School Readiness Provider Reimbursement and Post Attendance Audits		
<b>Policy #:</b> ELCSWF-SR0012A-08	<b>Category:</b> Enrollment and Attendance	<b>Reference #</b> OEL-SR-410
<b>Approval:</b> Updated 9/29/08	<b>Effective Date:</b> 9/27/08	<b>Replaces (policy # and date):</b> ELCSWF-SR0012-05 (7-1-05) and update of 5/24/06, 9/25/07

- I. **PURPOSE:** To establish a policy for reimbursement procedures and post audit monitoring of providers of school readiness services.
- II. **REVIEW HISTORY:** This policy replaces any previous written or verbal directives issued in any of the four counties.
- III. **CONTACT:** , Chief Executive Officer
- IV. **PERSONS AFFECTED:** School Readiness Child Care Providers, Resource and Referral, Eligibility and Enrollment staff, Central Agency and Coalition Fiscal staff.
- V. **POLICY:** This policy sets the process in which providers will be reimbursed for services and fiscally monitored to ensure reimbursements were accurate as evidenced by appropriate supporting documentation.
- VI. **RATIONALE:** Reimbursement of school readiness services must be conducted in a fair, accurate and consistent manner.
- VII. **CROSS REFERENCES:** 45CFR98.43, Chapters 402.3051 and Chapter 411.01 (5) (d) 3 f, Florida Statutes; Rule 60BB-4.100-4.503, Florida Administrative Code; Policy # ELC-SWF-SR0010-08 "Sliding Fee and Parent Co-Payments", Policy # ELC-SWF-SR-0006-08 "Children at Risk of Abuse, Neglect, Abandonment and Exploitation", ELCSWF Policy –SR0008A-08, School Readiness Program and Compliance Monitoring, Policy # ELCSWF-EL0014-08"Administrative Sanctions and Policy # ELCSWF-EL0015-08 "Appeals and Hearing".
- VIII. **DEFINITIONS:**

"Coalition" refers to "Early Learning Coalition of Southwest Florida, Inc. (ELC-SWF), a coalition created under s 411.01, F.S. and serving Collier, Hendry, Glades and Lee counties.

"Dual payment" means paying two different providers for the same child, on the same day, for the same period.

"Electronic Funds Transfer" (EFT) provides for electronic transfer of payments and collections.

**"Extended day"** shall mean more than eleven (11) hours of care per day.

1. Full time/Part Time (FTPT) means more than 11 hours and less than 16 hours a day.
2. Full Time/Full Time (FTFT) means more than 16 hours a day

**"Extended year"** shall be synonymous with full year and shall mean the period during which a provider regularly provides services for 245 full days or more.

**"Fiscal Year"** refers to each year beginning July 1 and ending June 30 of the following year.

**"Full-day"** shall mean **availability** of a minimum of ten (10) hours of school readiness services per day, including day, night, weekend, and odd hour care.

**"Full-time"** means at least six (6) hours or greater and up to and including eleven (11) hours of care in a twenty-four (24) hour period.

**Informal provider** - refers to a relative child care provider selected by the child's parent, who provides care to the child either in their own home, or the home of the child's parent, and is neither licensed, registered nor approved by any agency to provide care.

**"Market Rate"** means the price that a child care provider charges for daily, weekly, or monthly child care services. Market rates shall:

1. Be established for licensed child care facilities or facilities that are not subject to s. [402.305](#), licensed or registered family day care homes, licensed before-school and after-school child care programs, and unregulated care provided by a relative or other caretaker.
2. Differentiate among child care for children with special needs or risk categories, infants, toddlers, and preschool and school-age children.
3. Differentiate between full-time and part-time care.
4. Consider reductions in the cost of care for additional children in the same family.

**"Parent"** means a parent by blood, marriage or adoption and also means a legal guardian, licensed foster parent or individual identified with the legal ability to provide care for the eligible child.

**"Prevailing market rate"** means the annually determined 75th percentile of a reasonable frequency distribution of market rate in a predetermined geographic market at which licensed child care providers charge a person for child care services.

**"Qualified Contractor"** or **"Contractor"** means an entity performing the duties of the Coalition and defined in Rule 60BB-8.100 (13), F.A.C. Community Coordinated Care for Children (4C) is the entity contracted by the Early Learning Coalition of Southwest Florida, to carry out the daily responsibilities for School Readiness families and providers.

**"Reimbursement Rate"** means the daily rate approved by the Coalition for child care services for a child in the school readiness program. Specific reimbursement rates for individual children are based on, but not limited to, the status and duration of the child's care, the amount of the parent co-payment, the status of the child care provider, and the provider's rate schedule.

“Special Needs Rate” refers to the negotiated rate for a provider caring for a special needs child. The negotiated rate may not exceed the “infant” rate set by the Coalition.

“SR” is an abbreviation for School Readiness.

IX. **PROCEDURES:**

*Please note: This policy is designed to support the requirements addressed in 45CFR, Section 411.01 of the Florida Statutes and Rule 60BB-4.100-4.503, Florida Administrative Code. In the event of any changes, the designated laws and/or future directives from the State Agency for Workforce Innovation, will always supersede any procedures contained herein.*

**GENERAL REQUIREMENTS**

1. Prior to receiving reimbursement, each provider must be approved by the Coalition as a School Readiness Provider. (See Policy # ELCSWF-SR0008A-05 for complete requirements for provider eligibility).
2. Once approved by the Coalition to participate in the school readiness program, the SR provider is only required to submit a school readiness application when there are changes to the information. A new application must be submitted within 14 calendar days. In addition, a new application is warranted if the provider has had a break in their participation in the SR program.
3. Continuous approval as a School Readiness provider is contingent on the following:
  - i. Annual submission of the School Readiness Provider Agreement (of the current fiscal year, updated Rate Verification Form, and updated Holiday Schedule).
  - ii. Provider's compliance with fiscal and programmatic requirements.
  - iii. Annual approval by the Coalition.
4. Informal providers may be selected by the parent provided that they are related to the parent and willing and able to meet all the requirements of the School Readiness program.

**PROVIDER RESPONSIBILITIES**

5. Attendance records must be supported by daily sign in/sign out sheets that identify the child and contain the signature of the parent or responsible party signing the child in and out of the provider's care. The use of a recognized child care attendance software program capturing daily attendance through keypad codes, touch screen sign in/sign out, or fingerprint recognition are also acceptable methods of tracking attendance providing written reports can be generated upon request. Any other methods of recording attendance must meet the approval of the Coalition prior to reimbursement.
6. All attendance records must be maintained by the provider for a minimum of two years from the date the child leaves the provider's child care program.
7. Child care providers will not be reimbursed for any child accepted into care without the prior written authorization from a representative of the Coalition or Qualified Contractor, or in emergency cases, verbal authorization which is followed up in writing.
8. Child care providers must notify the Coalition or Qualified Contractor of any changes such as location, ownership, etc. at least 14 days prior to the change and submit a new application.

9. Child care providers are responsible for collecting and recording any fee that is designated by the Coalition or Qualified Contractor to be paid by the parent.
10. In the event a child is absent for five consecutive days with no contact from the parent, the child care provider is required to notify the Coalition or Qualified Contractor to determine the need for continued care. If the provider chooses to dismiss or terminate a SR child's enrollment, the provider is required to provide notification to the Coalition or Qualified Contractor and, if applicable, any other referring agency.
11. Child Care Providers are responsible for cooperating with any requests for documentation related to the auditing of fiscal compliance with school readiness funding.

## Absences

12. The provider is allowed reimbursement for up to 3 undocumented absences per child during a calendar month. Absences must be tracked and recorded in accordance with Rule 60BB-4.500 and the Coalition absence policy incorporated at the end of this policy.
13. In extraordinary circumstances, the coalition may provide written approval for payment for up to seven (7) additional days based on written documentation provided by the parent. Examples of such extraordinary circumstances include:
  - a. Documented hospitalizations of the child or parent
  - b. Documented illness requiring home stay.
  - c. Documented death of immediate family member
  - d. Documented court-ordered visitation
  - e. Unforeseen documented military deployment or exercise

The total monthly reimbursed absences to the provider may not exceed ten (10) calendar days.

14. Child Care providers are notified by the Children's Network of SW Florida or their contracted providers, when they have a child in care identified as "At-Risk". One unexcused or seven consecutive absences must be reported immediately to the child's identified child welfare case manager (Policy # ELC-SWF-SR-0006-05 and Rilya Wilson Act).
15. Do to the serious nature of the "at risk" category, reimbursement personnel should be attentive to absences within the BG1 category and ensure that repetitive or frequent absences should be reported to the child's caseworker for possible follow-up.
16. Absences caused by emergency closures beyond the control of the child care provider will be reimbursed as outlined in Rule 60BB-4.501, FAC and related policies.

## RATES

17. Rates shall be determined through an annual market rate survey for each county of the geographic area served by the Coalition. Reimbursement rates shall not have the effect of limiting parental choice or creating standards or levels of service that have not been authorized by the legislature. Maximum rates shall be established based on the prevailing market rate (75%) of the competitive market.
18. The child care provider must be willing to accept the reimbursement rate which will not exceed the maximum rate established by the coalition for their facility type.

19. Facilities with proof of "Gold Seal" status, or facilities caring for designated "special needs" children, are eligible for enhanced rates as identified by the Coalition's adopted rate schedule.
20. Informal providers shall be paid 50% of the rate paid to licensed family child care homes.
21. Rate changes submitted by the child care provider will be honored beginning the first day of the month following receipt of a signed Rate Verification Form.
22. The child care providers may not set a rate for school readiness children which is higher than those rates charged to the general public. Eligibility counselors must regularly monitor and compare the provider's rate identified in the R&R portion of the EFS system to ensure consistency in the rates.
23. Providers must submit a new Rate Verification Form (SR-1002 incorporated by reference) at the beginning of each fiscal year. The Rate Verification form identifies the normal rates the provider publishes and applies to all families regardless of income.
24. Child care providers are responsible for tracking the birthdates of any SR children enrolled to determine when a change of rate may occur.
25. In the event a parent selects a provider whose rate exceeds the maximum rate authorized by the Coalition, the parent and provider must be advised that any required payment over the maximum rate, will be the sole responsibility of the parent.
26. Providers must complete and submit the Holiday Schedule (form SR-1003, incorporated by reference) which provides a list of holidays on which their facility is closed. Providers may receive reimbursement for up to 12 recognized holidays for any school readiness child who has attended or had excused absence the day before the respective holiday.

Child Care providers must not charge either the Coalition, Contractor or parent a higher rate than charged to other parents who pay privately.

27. Neither the parent/guardian nor the provider will be reimbursed for registration fees or any additional charges above the agreed upon rates which may not exceed the State of Florida maximum allowable rates.

28. Unit of Care Standard Codes is as follows:

PTL	Less than 3 hrs.
PT	Equal to or greater than 3 hrs, but less than 6 hrs.
PTBA	Equal to or greater than 3 hrs (Before & After School)
FT	Equal to or greater than 6 hrs, but less than 11 hrs.
FTPT	Equal to or greater than 11 hrs, but less than 16 hrs.
FTFT	Equal to or greater than 16 hrs.
FTS	Full Time Sibling
PTS	Part Time Sibling
FTPS	FT and PT Sibling
FTFS	FT and FT Sibling

## Change of Ownership

29. Rate agreements of one child care provider are not transferable or assignable to any other entity. Therefore, if a facility transfers ownership or corporate structure, the provider must notify the Coalition or Contractor within 14 calendar days PRIOR to the change.
30. Once notified, the Coalition or Contractor must immediately contact the new owner to determine their interest in becoming a school readiness provider. If interested, the Contractor must immediately provide the required documents.
31. If SR children attend, the Coalition or Contractor must expedite the steps with the provider to avoid any unnecessary interruption to the reimbursement.
32. If the new owner chooses not to participate in the SR program, and there are SR children in attendance at the facility based on the former owner's status, then the Coalition or Contractor must inform all school readiness parents that they must change providers within ten (10) days or accept full financial responsibility for care. The parents must be offered assistance to locate their child to another provider. Any parent who chooses not to move their child will be responsible for payment after the 10 day notice has ended.

#### **AUTHORIZATION FOR REIMBURSEMENT**

33. The number of available child care hours will be authorized based on the parent or child's need for care.
34. Consideration must be given to the parent's hours of employment, training or schooling, as well as, transportation or sleep time needs, when determining duration of child care authorization.
35. The authorization must be clearly communicated to the prospective child care provider.
36. If a parent is authorized for 25 hours a week or more, the child(ren) may be approved for full time attendance.
37. Parents with erratic or unusual work schedules, or who request excessive hours of child care, should be reviewed more closely. Requesting pay stubs or verifying hours with employers will be necessary to evaluate the appropriateness of the parent's request. The files must clearly document the validity of the parent's need for child care.
38. The amount of child care reimbursement paid for each child may differ for individual children.
39. The maximum actual amount of reimbursement to be paid for a specific child will be based on the provider rate schedule for each fiscal year as approved by the Coalition, and will factor in the parent co-payment. Parent co-payments are addressed in Policy # ELS-SWF-SR0010-05.
40. Payments are only made for children actively eligible for services. The ending date of eligibility is identified on the Child Care Certificate.
41. Payments will not be made for children whose eligibility expired or who have been determined ineligible.
42. If children are enrolled in both school readiness and VPK services; and the school readiness program is a different provider, the school readiness provider will receive a reduced rate.

43. Because the school readiness program is based on full time (FT) and part-time (PT) and not the actual hours served, the VPK hours must be subtracted from the number of hours established as the child's "daily need". Six (6) (PT for purposes of hourly calculation) or 11 (FT); and then apply the formula for calculating the hourly rate.
44. For providers serving children of clients participating in the Temporary Cash Assistance or Transitional Child Care program, the Coalition or their designee must promptly send a copy of the client's ten (10) day notice of termination to the child care provider upon receipt from DCF or the Workforce Development Board that the client's child care is to be terminated.
45. In situations in which the client is terminated from services prior to the expiration date of the child care certificate, the child care provider will be provided ten (10) days notice, both verbally and in writing, in advance of the client's termination of services.
46. The provider will be reimbursed for child care provided to the child up until and including the day of notification, regardless of the date the client was actually determined ineligible.

**EXCEPTION: Fraudulent Activity**

47. Child Care payments will not be paid by the Coalition or Contractor for parents who are terminated from subsidized care when fraudulent activity has been determined.
48. Once the parent is notified in writing by the Coalition, the parent will immediately become responsible for payment of any further child care services.
49. Child Care Providers must be promptly advised once the parent is aware of the decision. Providers will be notified of parent's termination from services and that the next business day will the responsibility of the parent.

**AL PAYMENTS**

50. Dual payments cannot be authorized for multiple providers wishing reimbursement for the same child, on the same day, for the same times. However, two different providers of a child, who care for the child at different times during the day, do not constitute a "dual payment" and both may receive reimbursement for the periods of time they served the child.
  - Parents of a child, normally enrolled with a particular provider who is closed because of a selected holiday, are responsible for payment to any other provider utilized for child care for that specific day.
  - The only exceptions for dual payments are unusual circumstances authorized by the coalition, such as hurricane relief.

**PAYMENT FOR BIOLOGICAL, ADOPTIVE, or FOSTER CHILDREN**

51. Under no circumstances will family or informal child care providers be paid to care for their own biological, foster or adoptive children, or those for whom the child care provider has legal custody.
52. If a provider is also eligible as a recipient as a school readiness client, their child(ren) must be cared for by someone other than the parent, foster caregiver or legal guardian.

## REIMBURSEMENT PROCESS

53. Each month, the Coalition or Qualified Contractor will mail the attendance rosters to the SR provider for recording attendance.
54. The SR Provider must record accurate attendance for each child on the roster and sign. The Provider must return the signed rosters no later than the 3<sup>rd</sup> day of the month following attendance.
55. The Coalition or Qualified Contractor will log receipt of the attendance roster, review the roster for accuracy and signatures before entering the attendance into the EFS system.
56. Upon conclusion of the review and EFS entry processes, payment and reconciliations are completed.
57. Whenever possible, SR Providers will be paid by Electronic Funds Transfer (EFT) direct deposit.
58. A monthly summary report is submitted to each SR provider following the reimbursement and reconciliation processes. The monthly summary report includes the name of each child, the amount being paid for each child, and the number of hours per child being paid.
59. SR Providers must review the monthly summary report each month. Any discrepancies must be reported to the Coalition or Qualified Contractor within 30 days of receipt of the deposit of funds or date of check.

## Action against Provider by Licensing, Accreditation Agencies, Contracted Central Agencies or Early Learning Coalition

60. If official action is taken against a participating provider's license or status such as denial, revocation, suspension, or notice to cease operations; or withdrawal of approval by a religious exempt authorized agency; or notice of termination as a school readiness provider by the Coalition, then payments must be suspended to the program, even if the provider has filed an appeal. The provider will also be identified on the "do not refer" list until the matter has been rectified.
61. The Coalition or Qualified Contractor will ensure that parents are promptly notified of the pending licensing action and assisted in relocating their child to another facility. Any parent, who wishes to maintain their child in the identified child care program, may continue on their own and without benefit of subsidized care.
62. If the final resolution results in a settlement or in favor of the provider, the ELC-SWF executive board will evaluate continued participation by the provider in the Early Learning program if requested by the provider. This applies to providers operating under 402.3025 and 402.316, Florida Statutes (public schools, non-public schools and religious exempt facilities) who are also adversely affected by their authorizing entity, Department of Children and Families or law enforcement.
63. Fraudulent misrepresentation by a school readiness child care provider or abuse of the enrollment or attendance requirements will result in disengagement as a provider of any early learning program.
64. Providers who fail to maintain compliance or falsify information may be denied payment and dismissed in writing from further provision of services per Policy # ELCSWF-EL0014-06 "Administrative Sanctions: Overpayments, Misrepresentations, Fraudulent Activity and Provider Non-Compliance".

65. A letter must be sent by certified mail, return receipt requested and US regular mail, that details the reasons for dismissal and the provider's right of appeal consistent with the process addressed in policy ELCSWF-EL0015-06 "Appeals and Hearings".
66. Copies of correspondence will be provided to the Early Learning Coalition Chief Executive Officer at the time of transmission.

## POST AUDITING

67. The Coalition is responsible for conducting monitoring activities to ensure the accuracy of the payments of the monthly reimbursement requests. This is accomplished through annual post audit monitoring of each school readiness provider who received reimbursement at some point during the fiscal year.
68. Every school readiness provider must be audited at least one time during the fiscal year. Any on-site audit visits may be announced or unannounced. If perfect attendance is observed for three (3) consecutive months an on- site monitoring visit is warranted.
69. The selection process may be random and audits should occur throughout the year.
70. The contractor may at any time select a provider for audit if there is a reason for concern, as well as re-selecting a previously audited provider.
71. The Coalition or Contractor may audit the attendance records at any time either on-site or through requesting documentation and may extend an audit back to any period in which the provider received school readiness funding
72. Unless otherwise warranted, the post audit monitoring will be based on the reimbursement request of the child care provider for one of the previous three (3) months at the selection of the Contractor.
73. The audit will evaluate the reimbursement with the provider's attendance documentation.
74. Attendance verification may be maintained by the provider in one location, or in individual classrooms, but it should be secured for purposes of retention.
75. Providers' records that fail to substantiate the reimbursement reconciliation may result in a disallowed subsidy payment. These are adjusted from future reimbursement payments.
76. When auditing a School Readiness provider, the following process will be used:
  - a. All School Readiness children attending an informal, registered or licensed family child care home must be validated.
  - b. Child care centers serving forty (40) or less School Readiness children, must audit each SR child.
  - c. For child care centers serving more than 40 SR children, the audit sample will encompass 40 SR children and 10% of the remaining SR population. (For example – 67 SR children are served in the center. The first 40 are reviewed. The sample size is determined by the total # of children (67) minus the children audited (40) equals remaining children (27). Multiplying 27 children by 10% (27 x .10) equals = 2.7 additional children. Since you cannot have part of a

- d. The counselor must also determine the error rate made by the provider. This is determined by dividing the number of records with errors, by the total number of SR records.
  - e. For example, if of the 43 children reviewed, three (3) had errors, that creates an error rate of 11% (divide the # of children with errors (3) by the total # of children (43) equals .069 (rounded up) or 7%.
  - f. In this case, the audit found an overall error rate of less than 10%, so corrections would be noted and payment adjustments made on those children identified. No further auditing is needed.
  - g. However, if the counselor found more than five (5) cases with errors in the child reconciliations, they must continue to monitor files as long as they find the overall error rate higher than 10%.
  - h. All errors must be reconciled financially by either a repayment from the provider or withholding money from future payments. Providers are required to return any overpayments.
  - i. If the provider was underpaid, then the Coalition or designee will promptly refer the matter to fiscal office for reimbursement.
  - j. Providers with an error rate higher than 10% must be provided technical assistance related to acceptable verification and record keeping. A second attendance audit must be completed within the next three months of the first audit.
77. A report shall promptly be completed by the auditing fiscal staff and given to the provider with the outcome. Copies of documentation related to monitoring and site visits will be maintained in the provider file.

## NON-COMPLIANCE

- 78. Providers found to be out of compliance with responsibilities will be provided an "Initial Notice of Non-Compliance" and provided 10 business days from the date of issuance in which to comply.
  - 79. Such "Notice" must be provided in two (2) of the following ways: hand-delivered; sent by Certified mail, return receipt requested; faxed; or mailed through regular U.S. mail.
  - 80. If the Provider does not take the necessary actions to comply with the 10 day time frame, the Coalition or designee will send a "Final Ten (10) Day Notice of Warning of Non-Compliance" and follow procedures consistent with Policy # ELCSWF-SR008A-05, "School Readiness Provider Agreement and Compliance Monitoring".
- X. **EXHIBITS:** Attendance Policy for Providers, Rate Schedule, Rate Verification Form, Holiday Schedule

## ATTENDANCE POLICY FOR PROVIDERS

Providers can be reimbursed for no more than a total of three (3) absences (shown as E's on attendance sheets) per calendar month per child, except in the event of extraordinary circumstances. In those cases, 4C reimbursement staff must provide written approval for payment for up to an additional seven (7) days.

Total reimbursed monthly absences may not to exceed ten (10) calendar days. **If a child is absent for five (5) consecutive days with no contact from the parent, the provider is required to notify 4C.**

### Attendance Codes:

**X**=a day a child is enrolled and present.

**E**=days 1-3 of absence that does not require documentation.

**A**= days 4-10 of absence for which documentation is available. A "Documentation of Absence" form is required and is subject to approval.

**N**=days 4-10 of absence for which **no** documentation is available or days that are otherwise **not reimbursable** (11<sup>th</sup> day of absence and beyond during one calendar month).

**H**=one of the approved holidays qualifying for reimbursement.

**T**=Caregiver has been notified that the child will not return to care or parent has been terminated from the school readiness program due to caregiver ineligibility.

REIMBURSEMENT IS PROVIDED FOR THREE ABSENCES DURING A CALENDAR MONTH FOR EACH CHILD WITH NO DOCUMENTATION REQUIRED.

- a. Should a child's absence be excused, an entry of "E" for each day should be made on the daily attendance and enrollment sheet.
- b. Should a provider decide to "hold" a slot for a child due to a prolonged illness or particular family problem beyond the allowable number of days, these days must be claimed as "N" and are not reimbursable.
- c. Approved holidays do not affect absences and are not counted when tabulating absences.
- d. On the daily enrollment/attendance sheet, "H" should be entered for only those children who were actually enrolled in the program preceding the holiday. If the day prior to a holiday is marked with "N" or "T", the holiday cannot be claimed for reimbursement.
- e. If a child's attendance for the month ends on "N's" (not reimbursable days), the child must remain on "N's" into the next month until they return with an "X".

### Providers Caring For At-Risk Children

When an at-risk child has an unexcused absence or seven consecutive days of excused absences, the school readiness provider shall notify the Child Welfare Case Manager. The Rilya Wilson Act establishes these reporting requirements for children 3 to 5 years old. This rule shall apply to all children of any age in a school readiness program.