

Department of Early Education and Care



**Manual for the Provision of
Early Education and Care Voucher Services**

This Manual is an accompaniment to the Early Education and Care Voucher Services Agreement (Voucher Services Agreement). By signing the Voucher Services Agreement, the Voucher Provider (Provider) or the Family Child Care System (System)¹ is agreeing to comply with all of the terms and conditions contained in this Manual, which may be periodically amended. Set forth below are requirements for the provision of early education and care services through vouchers in the Commonwealth of Massachusetts.

Systems must provide a copy of this Manual, and any updates thereto, to each of its affiliated Providers. All relevant policies are available on EEC's website at www.mass.gov/eec.

To the extent there are any provisions in this Manual or the Voucher Services Agreement which conflict with any terms contained in a Provider/System's Handbook, etc., the Voucher Services Agreement and Manual shall be controlling with respect to voucher families.

For the purposes of this Manual, the term "Provider" includes center-based programs, independent family child care providers, schools and System affiliated providers that provide voucher early education and care services.

I. LICENSING STATUS AND HOURS OF OPERATION

All Providers must be licensed or license-exempt.

1. Licensing Status

In the event EEC takes action against a Provider's license or license-exempt status (for example, sanctions, suspension, revocation, renewal denial, cease and desist), the CCR&R may suspend payments to the Provider or the Provider's System (for System affiliated Providers). Further, in such event, unless otherwise approved by EEC, no new children eligible for early education and care subsidies may be enrolled with such Provider.

Providers must stay within the approved enrollment capacity, age ranges, and any restrictions for the licensed or license-exempt space. In the event the Provider/System enrolls a voucher child and the placement results in the Provider exceeding their licensed capacity or otherwise violating a licensing requirement, the Provider/System must repay the early education and care funds associated with such placement to the Commonwealth of Massachusetts.

2. Hours of Operation

Providers/Systems must notify the CCR&R whether they also hold a direct contract with EEC for the provision of subsidized early education and care services. If they do hold an Income Eligible contract or a Priority Populations contract, then the Provider/System must be open and available to provide subsidized care/services for voucher children/families to the same extent they are required to be open and available to provide subsidized care/services for contracted children/families. The requirements for subsidized care are set by age group (for example, preschool or school-age).

Providers/Systems must annually provide the CCR&R with documentation of their published private rates and hours/days of operation (showing the hours/days they are available to provide care by age group and by site). In the event a program/affiliated provider changes hours/days such that the needs

¹ In signing the Voucher Services Agreement, a System is agreeing that its affiliated providers are bound to the terms and conditions contained in the Voucher Services Agreement and this Voucher Manual.

of the voucher families enrolled with them are not being met, the CCR&R shall have the right to terminate its Voucher Agreement with such Provider (or in the case of a System affiliated Provider, the CCR&R may not allow voucher children to remain in that Provider's care).

II. PROVIDER QUALITY STANDARDS / PROGRAM CURRICULUM

Providers/Systems serving children through an Early Education and Care Voucher Services Agreement must incorporate the following quality measures into their programs to ensure that families are accessing a high level of care:

All Providers must:

- a. Offer a safe, stimulating, and nurturing learning environment that meets the developmental needs of each child in care, and provides opportunities for parent involvement. This includes:
 - A child-based approach to providing a caring and supportive environment that fosters each child's growth and development and promotes school readiness and success by utilizing developmentally appropriate curriculum.
 - Individual and small group activities that encourage age-appropriate socialization and developmental skills; out-of-school-time programs are encouraged to provide separate programming for younger school age children and pre-teens.
 - Individualized programming for all children, tailored to meet the specific needs of each child including children with special needs and children with limited English proficiency.
- b. Participate in the Massachusetts Quality and Improvement Rating System (QRIS) in accordance with EEC's regulations, policies, procedures, timelines, and, if applicable, the terms and conditions of any direct contract with EEC. Participation in QRIS, for the purposes of the Voucher Services Agreement and this Manual, means that the Provider has completed the EEC QRIS Application and submitted it to EEC by July 1, 2012. The requirements for participation in QRIS may be updated and/or amended over time by the CCR&R and/or EEC.

III. PROVIDER/SYSTEM PROGRAM-SPECIFIC POLICIES AND PROCEDURES

Every Provider/System must have a written handbook that explains the Provider/System's policies and procedures for subsidized early education and care services. A copy of the handbook must be given to each family with one or more child enrolled at the Provider's program or through the System. Policies must be explained to the parent/guardian and questions concerning policies should be answered at enrollment and thereafter. The written policies and procedures must be in accordance with EEC's policies outlined in the EEC Policy Guide, the Voucher Services Agreement and Manual and must include, at a minimum:

- **A written policy regarding the drop-off or late pick-up of children.**

Providers/Systems must have a written policy defining the procedures they will follow when children are not picked up on time or (if applicable based on the age group being transported from the child care site) when parents/guardians are not at a designated drop-off location. These procedures must, at a minimum, outline:

 - Whom the Provider/System (and its affiliated providers) will notify regarding late pick-up of children or when parent/guardian is not at a designated drop-off location; and
 - What the Provider/System (and its affiliated providers) will do with the child if the child is not picked up on time or if there is no parent/guardian available to meet a child at a drop-off location.

- **A written policy regarding late or non-payment of parent co-payments.**
Providers/Systems shall establish their own policies to address late payments or non-payments by all parents, provided that such policies do not include suspension or exclusion of the child from child care services or additional charges for late payment. The Provider/System’s late payment policies must be applied consistently and fairly to all parents/guardians. *See* EEC Financial Assistance Policy Guide: Chapter 5: Parent Co-Payments Section 5.1.3. Late Payments.
- **A written policy regarding substitute care and provider unavailability. (For Systems only)**
Systems are responsible for ensuring that there are substitute care (e.g., back-up) providers for any days where a family’s regular provider is unable to provide care, and must have in place record keeping practices which will allow substitute care providers to access children’s records, as necessary, for the purposes of providing back up care. Parents should be aware of the option of back up upon enrollment, and should be encouraged to identify at least one back-up provider that they would be comfortable using in the event their regular provider is not open and available on any particular day. The System should request information from its affiliated providers regarding anticipated closures (including for scheduled vacations, renovations, etc.) at least annually. To the extent possible, the System should notify families whose children are cared for by such providers of planned closures at least (30) thirty days in advance and must proactively assist parents in identifying alternate care for such periods of time to avoid any interruption in services. Systems must stay in close contact with their affiliated providers so that they are aware when their providers will be unavailable to provide care, particularly when the unavailability will extend beyond ten business days. In such event, the System must notify the CCR&R in advance that the provider will be unavailable for at least ten business days. *See also* EMB FY 2008-02, Managing Financial Assistance Clarification of Requirements Regarding Reimbursement for FCC Systems.
- **Written policies to help guard against fraud, waste and abuse, including a written policy prohibiting a Provider/ System from “double billing” for children.** Providers/ Systems cannot bill more than one person or entity (including but not limited to the CCR&R, EEC, and/or a parent) for care provided to the same subsidized child during the same child care hours. For example, Providers/ Systems cannot bill EEC through both a voucher mechanism (including an in-home/ relative voucher) and through a contract slot for care provided to the same child for the same child care hours.
- **Written Policy regarding changes to service need/ income/ household size, etc.**
Providers/Systems must explain to parents/guardians in their policies EEC’s rules regarding reporting significant changes in circumstances that may affect their parent fee and/or eligibility for subsidized care. The policy must explain that if there is a change that would have resulted in either an increase in parent fee, reduction to part-time eligibility, or ineligibility for subsidized care, the parent will be responsible for repaying funds to the CCR&R and/or the Commonwealth of Massachusetts.
- **A written policy regarding child attendance.**
Upon enrollment Providers/Systems must explain and give the *Attendance Notification Agreement* to parents/guardians and have them sign the form. The signed Attendance Notification Agreements must be maintained by the Providers/System. Such forms must be made available upon request to EEC and/or CCR&R staff for monitoring purposes.

- **A written policy regarding fees charged beyond a voucher end date.**
Providers/Systems must explain to parents/guardians that they will be responsible for paying the full private rate for any care provided during days not covered by their voucher.
- **A policy regarding charging fees or deposits to place a family on the Provider's internal waitlist**
Families who want to enroll their child with a specific voucher provider and who are waiting to receive a voucher, must be placed on EEC's Centralized Waitlist. Providers/Systems must explain to parents/guardians that they cannot access subsidized care through a Provider's internal waitlist (i.e., a waitlist for families that will be privately paying for child care services). Providers cannot charge any family that is on EEC's Centralized Waitlist and wants to attend the Provider's program with a voucher, a fee or deposit to be placed on the Provider's internal waitlist.
- **New Policies.**
Any new Provider/System policy must be given to the parent/guardian in writing (30) thirty days prior to the effective date. An acknowledgement of receipt of the policy signed by the parent/guardian must be kept in the Provider/System's file.

IV. ACCEPTING REFERRALS

Any licensed independent family child care provider who enters into an Early Education and Care Voucher Services Agreement with a CCR&R may only accept voucher referrals through the CCR&R and may not accept referrals through any System. Family child care providers affiliated with a System cannot enter into a Voucher Agreement with a CCR&R or accept voucher referrals directly from a CCR&R. Family child care providers can only affiliate with one System at a time.

V. CHILDREN WITH SPECIAL NEEDS

EEC is aware of the many challenges facing families with children with special needs, as well the issues early education and care providers may face in providing reasonable accommodations and adaptive environments to meet the needs of children with special needs. CCR&Rs may have trained staff available to provide customized services to families of children with special needs. Additionally, from time to time there may be funds available to assist in the provision of care to a special needs child. Providers/Systems may apply for such EEC funding through the CCR&R. EEC will need to approve any such requests. All such requests are contingent upon the availability of funding, documentation requirements as specified by EEC, and EEC's written approval.

A Provider/System must document a child's need by submitting a *Verification of Special Needs* form (available in the *EEC Financial Assistance Policy Guide*).

VI. COMMUNICATION

1. Reporting to the CCR&R

Providers/Systems are responsible for providing their CCR&R with the following information and keeping that information updated. Specifically, Providers/Systems must notify their CCR&R of the following within thirty (30) calendar days, unless another timeframe is specified below:

- any changes to their licensing status or license-exempt status (including but not limited to any sanctions issued against the license) or the licensing status of their affiliated providers;
- any address changes to locations where child care is being provided (in advance of any such changes);

- an affiliated family child care provider leaving, or joining a System (in advance of any such changes);
- any change in program policies or rates relevant to the provision of voucher services (such changes must be given to the CCR&R in writing).

Providers/Systems must notify their CCR&R of the following immediately (or as specified below):

- if the provider is part of a System and a child is moved from one System provider to another for a period longer than ten business days (notices must be given to the CCR&R in advance of the ten days);
- if a parent/guardian terminates voucher early education and care services before the authorized end date on the voucher;
- if the Provider/System intends to terminate a child from a program prior to the end date listed on the child's voucher;
- if a child is absent without explanation for more than three (3) consecutive days;
- if a child is absent (with or without explanation), including when a child's family refuses substitute care, for more than ten (10) days in a thirty (30) day period or is otherwise absent in excess of EEC's allowable absences as set forth in EEC's regulations and policies;
- complaints related to subsidized early education and care policies, procedures and/or regulations (e.g., fees, billing, or termination of care) Note: complaints about violations of EEC's licensing regulations should be directed to the EEC regional licensing staff;
- any change in a family's household size or composition, activity, service need, income, and/or attendance that may affect a family's eligibility for subsidized services and/or the family's parent fee level within ten (10) business days.

In the event of a permanent closure, the Provider/System must provide the CCR&R with a written list naming all of the children enrolled in/through their program and their dates of birth, as well as the names of the children's parents/guardians and their contact information. If a System is closing, the System must notify the CCR&R of the names and contact information for all of its affiliated providers as well as the names and contact information for all enrolled families. The Provider/System must work closely with the CCR&R to notify such families of their options for alternate care. The Provider/System must closely track attendance for each child to ensure that billing is done correctly.

2. Reporting Abuse and/or Neglect to EEC, CCR&R and the Department of Children and Families (DCF)

Providers/Systems must inform EEC and the CCR&R when the Provider, Provider's staff, System staff, System-affiliated provider or any Provider/System contractor (including any person transporting children in care) is alleged to have been involved in any (51A) report of abuse or neglect filed with the Department of Children and Families (DCF).

All Providers/Systems and System-affiliated providers are mandated reporters and are required to report all incidents of suspected abuse or neglect to DCF.

VII. PROVIDER BILLING / PAYMENT/ RECOUPMENT

1. Current and Signed Provider Agreement and Voucher

Providers/Systems must have a signed Early Education and Care Voucher Services Agreement with their local CCR&R in order to be paid for providing/coordinating early education and care voucher services.

Programs will only be reimbursed for enrolled children with a signed, current voucher.

- Children are not considered enrolled in subsidized care until the first day the child actually attends the program following the beginning date indicated on the voucher. The child remains enrolled in subsidized care until the authorized end date on the voucher or until the subsidy is terminated, whichever comes first.
- Providers/Systems will not be reimbursed for early education and care services provided to children who are enrolled without a signed, current voucher in place, unless EEC authorizes such payments.
- Providers/Systems must explain to families who enroll in their programs in anticipation of a voucher being issued, that the family will be responsible for paying the private rate for any period that the voucher does not cover.
- The Provider/System has the responsibility for verifying the information contained on the voucher and cannot bill for subsidized care provided after the end date stated on the voucher, unless expressly authorized to do so by the CCR&R or EEC.²
- A full-day slot funded by EEC may not be utilized by any other child, whether subsidized or privately paid, during any part of the day.
- Payments for subsidized early education and care services depend on the child's continued eligibility for assistance and on the use of the service. The CCR&R will notify the Provider/System in writing when the child is no longer eligible and will pay the Provider/System for up to ten (10) business days in accordance with EEC policies when the child's care is terminated.
- The Provider/System understands that payments cannot be made to hold a child care space for a child to enroll and that the child care payment may not begin until the child actually starts attending the Provider's early education and care program.

2. Availability of Funding

All reimbursements/payments by the CCR&R and/or EEC to a Provider/System are subject to the availability of sufficient funds. The CCR&R and/or EEC shall not be held liable in the event there are insufficient funds available to pay a Provider/System for services rendered. With reasonable notice, EEC may suspend a Voucher Agreement, terminate a Voucher Agreement, and/or implement a rate or invoice decrease in the event of insufficient funds.

3. Rates / Rates for Non-Subsidized Families

Providers/Systems will be paid the rates set forth in the rate sheet attached to their Voucher Services Agreement. In accordance with EEC policies and procedures, the CCR&R may approve rate change

² For example, billing may be allowed if a parent fails to reassess before the authorization end date due to a CCR&R workload and/or scheduling problem (for example, if a parent calls at least two weeks in advance of the voucher end date and the CCR&R is unable to schedule an appointment, a written authorization from the CCR&R may allow care to continue while a reassessment is pending; this written authorization must specify the valid timeframe of the exception).

requests submitted by providers at least thirty (30) days prior to the effective date of the rate change. Rates become effective on the first day of each month. Providers/Systems will be paid the approved rate for the program type in which the child is enrolled. Providers must contact their CCR&R when the child is no longer age appropriate for the program type in which they are enrolled, but needs to remain in the lower age group for developmental reasons.

Rate increases and program additions must be approved by the CCR&R in accordance with EEC policies and procedures. There should be no more than one EEC approved rate increase per year for Providers/Systems. Rate increases are contingent upon funding and compliance with the terms and conditions of the Voucher Agreement and Voucher Manual.

Upon the CCR&R or EEC's request, but no less than once per year, Providers/Systems must submit their public or private pay rates that they (or their affiliated providers) charge for early education and care services before they can receive payment. Providers/Systems and System-affiliated providers must not charge/bill the CCR&R and/or EEC a higher rate for families receiving early education and care subsidies than they charge for private paying families for the same type of care, unless the Provider/System has sufficient restricted revenue to offset the difference between the Provider/System's voucher reimbursement rate and the lowest rate charged to any of its privately paying families (multiplied by however many contract/voucher/grant slots the Provider/System holds). The revenue must have been restricted in writing by the donor specifically for the purpose of offsetting privately paying parents' rates for child care prior to the period in which such funds are being used. The Provider/System must include any information about scholarships/discounts that may be offered to private paying parents, including, but not limited to, discounts for early payments with the submission of private rates. The Provider/System must maintain records to document the off-set available for any years where discounted rates are charged to private paying families or scholarships are offered.

The CCR&R and/or EEC may implement rate increases and/or decreases depending upon the availability of funding.

4. Provider/System Reimbursement

Payments to Providers/Systems for Services Provided

Providers/Systems will be paid by the CCR&R for the delivery of quality early education and care services at the stated (daily) rate, less daily parent fees, in accordance with EEC policies and procedures, and if applicable, with the terms and conditions of the System/Provider's Contract with EEC.

Payments for subsidized early education and care services depend on the child's continued eligibility for assistance and on the use of the service.

Absences

Providers/Systems must follow EEC policies and procedures regarding absences, including those related to billing and termination from care. Accordingly, Providers/Systems must monitor the attendance of children in their care.

Upon enrollment, Providers/Systems must provide and explain the *Attendance Notification Agreement* to parents/guardians and have them sign the form. When unexplained or excessive absences occur, the Provider/System must contact the parent/guardian to determine the validity of the child's absence(s) and verify the need for continued subsidized care. The Provider/System must maintain written verification (i.e., signed notes from parents/guardians) for any days that are billed as excused absences. The notes must contain the names of the children absent, the dates of the absences,

and the reason for the absences. The Provider/System must promptly notify the CCR&R of any excessive absences.

The CCR&R will send a *Notice of Termination/Reduction of Financial Assistance for Child Care* form to the parent/guardian in the event of excessive absences. This form notifies the parent/guardian that the early education and care subsidy will terminate at the end of fourteen (14) calendar days.

Closures

All Providers/Systems that hold an Income Eligible contract or a Priority Populations contract must follow the same rules incorporated into such contracts related to program closures and billing for closures with respect to their voucher families.

“Voucher-only” providers (providers that do not hold a direct contract with EEC) may close up to fourteen days per EEC’s fiscal year which commences on July 1st. Voucher-only providers that are not open year round will be allowed a pro-rated number of closure days. Voucher-only providers have the ability to use some or all of their closure days for professional development. If a voucher-only provider elects to be closed for fourteen days per calendar year, then at least two of the closure days must be dedicated to professional development. Voucher-only providers will be required to annually submit to the CCR&R for approval a Closure Form outlining the dates it will be closed. Voucher-only providers will only be paid for the number of closures they propose that are approved by the CCR&R and/or EEC.

Programs will be reimbursed for emergency closures during inclement weather only when the city or town Department of Public Works has declared a storm/snow emergency. Other emergency closures may be considered for reimbursement in accordance with EEC’s Policy Guide and any amendments thereto. *See* EEC’s Policy Guide, Appendix O. Providers/Systems will not be reimbursed for unscheduled closings that are within the Provider or System affiliated provider’s control.

Timely Billing

Unless EEC directs otherwise, the Provider/System must complete a *Request for Reimbursement* form each month and submit it no later than the 10th working day of the month following the month in which the services were provided. The CCR&R will verify the accuracy of the submission and forward the *Request for Reimbursement* to EEC for payment. Providers must maintain all source documents used to complete the form. The CCR&R shall pay the Provider/System within five (5) business days of having received funds from EEC for early education and care services rendered.

Any Information Technology related difficulties that occur at the time of billing must be reported to EEC’s Help Desk immediately so that such issues can be resolved in time to meet the billing deadline. It is imperative that all billing be submitted on time each and every month. Any monthly billing not received by the required deadline will be held and added to your next month’s billing and paid accordingly. EEC and the CCR&R shall have the right to entirely disallow payments, hold back partial payments, and/or terminate your voucher agreement, where your agency continually (three or more months in a six month period) submits its billing information after the deadline. Additionally, the CCR&R reserves the right to delay and/or disallow payments related to care provided in the prior fiscal year where the billing for such payments is submitted after the tenth working day in July.

Billing Adjustments (Overpayments/Underpayments)

Providers/Systems must notify the CCR&R within thirty (30) days of any underpayments or the CCR&R may choose not to reimburse the Provider/System for such payments. Providers/Systems must notify the CCR&R of any overpayments immediately. EEC will determine how to adjust for the overpayment and whether repayment to the CCR&R and/or the Commonwealth of Massachusetts is required. EEC will determine the method for repayment, which may include a contract adjustment,

payment plan, collection action, and/or intercept depending in part upon when in the fiscal year the overpayment occurred.

Payments by Systems to their Affiliated Providers

Systems must pay their affiliated providers who provide voucher early education and care services in accordance with EEC policies and procedures. See EEC Financial Assistance Policy Guide, additional EEC financial assistance policies, and EMB FY 2008-02, issued on May 27, 2008. With the exception of any approved closures (up to 14 per year), the System cannot bill the CCR&R for any days where its affiliated providers are not open or are unavailable to provide care, except where substitute care is offered and accepted by a regularly enrolled family. In such cases, the System must pay the provider that provided the substitute care. System affiliated providers cannot bill for days where all of their regularly enrolled children are absent (whether due to vacation, illness, etc.) if the provider was not open and available to provide care on such days. Systems must pay their affiliated providers, at a minimum, the EEC approved rate for early education and care services based on the program type being served (e.g., preschool, school-age, etc.).

5. Improper Payments/ Right to Dispute Debts

EEC and the CCR&R shall have the right to withhold, stop and/or recoup any improper payments which may have been the result of administrative error, intentional, and/or unintentional error on the part of a Provider/System and/or any family receiving subsidized services.³ EEC and the CCR&R shall have the right to make adjustments to ongoing payments to recoup any improper payments. In the event the Provider/System's Voucher Agreement is terminated and EEC and/or the CCR&R notify the Provider/System that it owes any sum related to an improper payment, the Provider/System may request a meeting with a representative of the CCR&R and/or EEC to discuss the debt and challenge its validity.

Such request for a meeting must be made in writing within fourteen (14) days of receiving the notice and must state the specific reasons, verified by credible written documentation, for the System/Provider's position that the debt identified is inaccurate. The Provider/System shall have the burden of presenting credible written documentation at the meeting to refute the CCR&R and/or EEC's findings. The Provider/System shall have no right to request a hearing under G.L. c. 30A to dispute such debt with the CCR&R and/or EEC. If the Provider/System fails to avail itself of this opportunity or if following such meeting the CCR&R and/or EEC finds that the debt remains, whether or not the amount has been amended, EEC shall have the right to seek recoupment through the State's collection and/or intercept process. EEC and the CCR&Rs shall have the right to refuse to allow such provider/System to enter into another Voucher Agreement. Additionally, if the provider/System that owes funds also holds one or more contract with EEC, EEC shall have the right to withhold and/or apply one or more contract payment to cover the amount owing.

³ Providers/Systems that are responsible for reassessing a family pursuant to the Voucher Reassessment Pilot Program, are responsible for recouping funds from such family where it is determined that the family was ineligible for benefits (either completely ineligible or due to a reduced service need should have only received a part-time subsidy) and/or the family should have paid a higher parent fee due to significant income changes. Providers/Systems will be given technical assistance by EEC and/or a CCR&R regarding the recoupment process. When the CCR&R is responsible for reassessing a family, the CCR&R is responsible for recouping subsidy benefits and/or parent fees from the family if it is later determined such family was ineligible to receive the benefits or should have been paying a higher parent fee.

VIII. PARENT CO-PAYMENTS/ FEES

Most families receiving EEC Financial Assistance will be required to contribute to the cost of early education and care services through a parent fee or co-payment. The CCR&R is responsible for determining a family's parent co-payment for EEC Financial Assistance through a voucher.⁴

Collection and Recoupment of Parent Co-Payments/Parent Fees and Subsidy Benefits

Parent Fees.

- Collection of parent fees is the Provider/System's responsibility. *See* EEC Financial Assistance Policy Guide: Chapter 5: Parent Co-Payments, Section 5.1 Collection of Co-Payment for requirements relating to:
 - Schedule of Payment;
 - Deposit and Appropriate Payment for Services;
 - Collection of Co-payment by Program Staff;
 - Refunds; and
 - Late Payments.

Providers/Systems must maintain a record of all fees collected from voucher parents/guardians and provide receipts for fees paid.

Additional Fees.

EEC has specific requirements regarding the collection of additional fees for families receiving EEC Financial Assistance. *See* EEC Financial Assistance Policy Guide: Chapter 5: Parent Co-Payments, Section 5.2 Additional Fees for requirements and limitations regarding the collection of additional fees.

IX. TERMINATION AND REDUCTION IN VOUCHER SERVICES

1. Terminations

A parent/guardian's voucher for early education and care services may be terminated for several reasons including, but not limited to:

- Providing false or misleading information to the CCR&R and/or voucher provider (if such provider is conducting eligibility reassessments);
- lack of continuing service need;
- lack of financial eligibility;
- non-payment of fees (including where family was underpaying their parent fees);
- unexplained or excessive absences;
- failure to repay subsidy benefits in accordance with a signed Agreement to Repay
- failure to agree to repay subsidy benefits/parent fees that are owing
- failure to submit required documentation at reassessment;
- failure to cooperate with EEC, the CCR&R, the Provider/System and/or any System-affiliated provider's policies or procedures; or
- any other reason provided in EEC's subsidy regulations, 606 CMR 10.12 and any amendments thereto.

⁴ Providers/Systems participating in the Voucher Reassessment Pilot Program are responsible for determining parent co-payments upon reassessment.

2. Process for Termination

If a CCR&R and/or Provider/System wishes to initiate the termination of early education and care services for any of the circumstances listed above, the CCR&R or Provider/System must send a *Notice of Termination/Reduction of Financial Assistance for Child Care* to the parent/guardian along with a *Request for Review* form notifying the parent/guardian of his/her right to have EEC review the decision to terminate early education and care services through the EEC Review Process.

3. Notice for Parent-Initiated Termination

Parents/guardians are expected to notify Providers/Systems at least fourteen (14) calendar days in advance of a planned termination of early education and care services. When at least 14 calendar days notice of intent to discontinue service is given, the parent/guardian may choose to receive a refund of their initial deposit, or may request that the deposit be applied to his/her last week's fees, if the parent's fees are current.

4. Provider Reimbursement in Cases of Termination

Termination for Non-Payment of Parent Co-Payment.

If the parent's early education and care services are terminated for non-payment or underpayment of fees, the Provider/System can keep the parent's initial one-week deposit to help offset the amount the parent owes in unpaid fees. The Provider/System may also ask the CCR&R to pay for the second week of the parent's outstanding fees, if the Provider/System can show with documentation that reasonable efforts were made to collect the unpaid fees, but were unsuccessful. Providers/Systems will not be reimbursed for more than two weeks' unpaid fees.

Parent-Initiated Termination of Care with Insufficient Notice.

If a family terminates care prior to the voucher end date with less than ten business days notice to the Provider/System, the Provider/System may be paid for some of the child's approved scheduled days. The System must in turn pay its affiliated providers for such days.

- The CCR&R will pay the Provider/System for approved scheduled days until the child's voucher slot is filled, up to a maximum of 10 business days after the child leaves care.
- The parent/guardian's initial deposit will be deducted from the reimbursement and applied to offset part of the Provider/System's program cost. The Provider/System may bill the CCR&R at the full daily rate for the remaining unenrolled days for which the parent did not give notice (less any parent fees held as the initial deposit). (The System must in turn pay its affiliated providers for such days.)
- To be eligible for this payment the Provider/System must document efforts to collect any unpaid fees from the parent/guardian.
- When a termination by a parent/guardian with insufficient notice occurs as a result of a health and safety concern present at the site of care, EEC Licensing staff and the CCR&R will confirm whether there is a valid concern and whether the Provider/System and/or System-affiliated provider should be paid for the vacant days. The CCR&R may refuse to pay for any such days if there was a valid concern.

X. TRANSPORTATION

In order to be reimbursed for transportation services provided to voucher clients, Providers/Systems must sign a Transportation Addendum as part of their Early Education and Care Voucher Services Agreement.

XI. RECORD KEEPING AND DOCUMENTATION

Providers/Systems shall provide to the CCR&R, electronically or with hard copies, as specified by EEC, the following information and/or documentation, as applicable when the Provider/System applies for a Voucher Services Agreement with the CCR&R (and subsequently as provided below):

- a. EEC License or evidence of license exemption (unless such information may be accessed by the CCR&R through an electronic database) (this information should be updated each time the provider's license is renewed);
- b. Closure Form (to be resubmitted annually by June 30th for the following fiscal year);
- c. RFR Authorization Signatures;
- d. Late Payment Policy;
- e. Late Pick-Up Policy;
- f. Closure Policy (Weather and Emergency Preparedness (pandemic flu, etc.);
- g. Child Abuse and Neglect Policy;
- h. Voucher Manual Acknowledgement Form (Provider/System acknowledging receipt of the Manual);
- i. Provider/System Contact Info;
- j. List of Affiliated Providers for Systems (to be resubmitted annually by June 30th) listing names and addresses of each provider;
- k. W-9 Form;
- l. Tax Identification Information;
- m. Accreditation Status Form (if applicable);
- n. NAEYC Accreditation Certification (showing expiration date, unless such info may be accessed through a database);
- o. CDA Certificate (showing expiration date, unless such info may be accessed through a database);
- p. CCIMS Calculated Rate Sheet;
- q. Rates Entered into CCIMS;
- r. E-CCIMS Rate Page (for EEC Contracted Providers/Systems only); Published Private Rates (to be resubmitted annually by June 30th for the following calendar year);
- s. Voucher Provider Agreement (signed by all relevant parties);
- t. Transportation Addendum (if applicable);
- u. Camp Addendum (if applicable);
- v. Supportive Child Care Addendum (if applicable)
- w. Attendance records/documentation (upon request); and
- x. QRIS participation (unless such information may be accessed by the CCR&R electronically).

Providers/Systems shall keep on file financial records and other documents to support all of the revenues (income) and expenses associated with delivering voucher early education and care services. Providers/Systems must also maintain personnel records for each staff member working in the voucher program. In addition, Providers/Systems (and their affiliated providers) must maintain attendance information for each child enrolled in voucher early education and care services. Providers/Systems conducting reassessments for families in care, must maintain the family files at their offices. All such documents must be maintained for a minimum of seven years. If any records are involved in a recoupment matter, litigation, and/or audit, they should be retained for as long as directed by EEC. Records must be made available to EEC staff and to other authorized agents of the Commonwealth, including the State Auditor's Office and its Bureau of Special Investigations.

The CCR&R shall maintain in its files (electronically or in hard copies, as specified by EEC,) the following records:

- a. Client eligibility files;

- b. Correspondence/notes between CCR&R Staff and clients regarding eligibility related matters/changes in circumstances; parent fees, etc.;
- c. Billing and attendance records submitted as part of billing;
- d. Evidence of quality standards being met (unless such info may be accessed through a database);
- e. Rate Increase Certification Forms (to be supplied by EEC);
- f. Copies of Termination Notices;
- g. Calculations for Recoupments;
- h. Recoupment Letters; and
- i. Signed Agreements to Repay.

All such documents must be maintained for a minimum of seven years. If any records are involved in a recoupment matter, litigation, and/or audit, they should be retained for as long as directed by EEC. Records must be made available to EEC staff and to other authorized agents of the Commonwealth, including the State Auditor's Office upon request.

Access and Examination of Records.

Providers/Systems and System-affiliated providers shall make available for review all records and reports related to the delivery of voucher early education and care services to the CCR&R and/or EEC as requested from time to time or as part of any monitoring visit. Such records shall include client files, attendance records, etc. which Providers/Systems and System-affiliated providers must maintain in accordance with EEC licensing and subsidy requirements.

Providers/Systems and System-affiliated providers shall also make available for review, inspection and audit all records relating to its operations and those of its affiliates, subsidiaries and Related Parties, and shall permit timely and reasonable access to its appropriate personnel for the purpose of interviews and discussions related to those records and associated policies to the CCR&R, EEC and any other contracting Department, Executive Office, DPS, the Office of the State Auditor, the federal government and/or their representatives.

XII: SANCTIONS

The Provider/System understands that if it fails to perform in accordance with the terms and conditions of its Early Education and Care Voucher Services Agreement, this Manual or any of the regulations or policies referred to therein, EEC and/or the CCR&R have the right to sanction such Provider/System. Sanctions may include delaying, disallowing, setting-off or recouping payments to the Provider/System for services performed, and/or limiting the number of vouchers a Provider/System may have.

XIII: FINANCIAL REPORTING (only applies to Providers/Systems that receive \$500,000 or more in voucher funds)

Annually file a Uniform Financial Report (UFR) as specified in the Voucher Services Agreement. Completion and filing of the UFR must be done in accordance with OSD's UFR Audit and Preparation Manual and the requirements of 808 Code of Massachusetts Regulations 1.00 et. seq. Voucher early education and care related services are considered human and social services as defined in 808 CMR 1.02.

Provider/Systems that have a responsibility to file a UFR either as a result of the amount of funding they receive directly from EEC through one or more contract, or based on the amount of voucher funding they receive, must state in their UFR the amount of voucher funding, if any, they receive.

For purposes of the UFR filing, a Provider/System may only use OSD authorized off-sets as off-setting revenue. Unless expressly allowed by OSD, voucher revenue cannot be used to off-set non-reimbursable expenses. Providers/Systems shall not use all of the private client fees they collect as off-setting revenue

to off-set non-reimbursable expenses; only the differential, if one exists between the private client rate and the Provider/System's EEC approved rate (assuming the private rate is greater than the EEC rate) for the same type of care, may be used as off-set. The differential from private client fees may only be available if a Provider/System sufficiently documents the amount of private client fees collected each year (i.e. with receipts showing payments and names of families making payments, etc.).

The commercial fee amounts and surplus revenue retention amounts applicable to any voucher provider/System will be calculated based on the formulas and guidance provided by OSD, including but not limited to any provisions contained in the UFR Audit and Preparation Manual. Voucher revenue is considered "State Revenue" or "Commonwealth Revenue" for purposes of determining allowable earnings/profits/surplus.

Providers/Systems subject to the UFR filing requirement may be responsible for repaying the Commonwealth, the CCR&R, and/or EEC for funds used in violation of the requirements outlined in 808 CMR 1.00 et. seq. and/or title 48 Code of Federal Regulations Part 31 including situations where the Provider/System has insufficient off-setting revenue to cover non-reimbursable expenses and/or where the Provider/System's earnings/surplus exceed the allowable limit. The CCR&R and/or EEC shall have the right to recoup such funds directly from on-going voucher payments and/or contracted payments (if the Provider/System holds a direct contract with EEC) to the Provider/System for services provided.