Child Care Stabilization Grant

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This section includes information about income provided by Child Care Stabilization Grant payments.

Policy

Child Care Stabilization Grant (CCSG) payments are federally funded assistance payments for childcare providers. CCSG payments are countable and are considered self-employment income.

Countable income is used to determine an income budget. (See Income Budgeting to see how FAA determines the income budget.) FAA needs to know about income that is both countable and not countable to determine whether a budgetary unit's expenses are exceeding their income. (See Income Eligibility for more information about how FAA uses countable and not countable income.)

The American Rescue Plan Act (ARPA) 2021 authorized relief funding to Arizona recipients through the Child Care and Development Fund (CCDF).

Eligible recipients of the CCSG include ***any*** of the following:

- DES Non-Certified Relative Providers
- DES Family Child Care Providers (including in-home providers)
- DHS Licensed Centers
- Tribal Child Care Providers
- Military Child Care Providers

Grant awards are issued monthly in flat grant payments based on the number of children being cared for. Eligible childcare providers began receiving CCSG payments in 08/2021 and are authorized to continue through 06/2023. Eligible childcare providers have until 09/30/2023 to spend the grant funds.

CCSG payments are not-countable self-employment income when the funds are used to pay ***any*** of the following business-related expenses:

- Personnel costs
- Recruitment and retention costs
- Rent, mortgage, utilities, and insurance payments of the business
- Facility maintenance and improvements
- COVID-19 related expenses, including personal protective equipment and cleaning supplies
- Equipment and supplies to respond to COVID-19
- Goods and services necessary to maintain or resume childcare services
- Mental health support for children and employees
- Health and safety training for staff

CCSG payments are countable self-employment income when ***any*** of the following occurs:

- The funds are used to pay for daily living expenses such as rent or mortgage.
- The amount of the funds received exceeds the amount of the actual expenses incurred. The excess amount is countable income.

Procedures

When a participant reports income from CCSG assistance payments, explore whether any funds received are used to reimburse business-related expenses.

For more information on the budgeting of reimbursements, see Reimbursements.)

When the participant is present, have them sign the Authority to Release Information (FAA-1765A) form to contact any companies or businesses involved. The FAA-1765A can be faxed or emailed to the participant's employer when it is not possible to use the Application for Benefits (FAA-0001A) or the HEAplus Authority to Release signed statement.

When self-employment expenses are incurred and are not paid using the CCSG funds, see Allowable Self-Employment Expenses.

Documentation must support determinations of eligibility and benefit level. Document in sufficient detail to ensure that any reviewer can assess whether the determination is reasonable and accurate. Include specific information regarding the reason the income is determined to be reasonably expected to continue. (See Budgeting Income Documentation Requirements for additional information.)

Verification

System interface and the case file(g) must be reviewed before verification is requested. No additional verification is needed when AZTECS interface or HEAplus hubs have verified the information.

The participant has the primary responsibility for providing verification. (See Participant Responsibilities – Providing Verification for additional policy.)

For NA, income is required to be verified for ***all*** of the following before eligibility is determined:

- When reported on a new application, during the interview of a new application, or changes reported before the eligibility determination of a new application.
- For changes reported after an eligibility determination of a new application (e.g., a renewal application, mid approval contact, etc.) and ***any*** of the following apply:

  The source of the income has changed.

  The income is questionable(g) or unclear(g).

  The reported income amount has changed by $51 or more.

  The previous verification in the case file is more than 59 calendar days(g) old.

For CA, all income is required to be verified before determining eligibility.

Examples of verification that can be used for Child Care Stabilization Grant (CCSG) payments include, and are not limited to, ***any*** of the following:

- Assistance payments records
- Benefit award letters from SSA, Statement of Earnings VA, and other agencies
- Bank records
- Current check reflecting gross income
- Federal or state tax forms
- Contracts
- Signed statement from the agency or payer providing the income
- Bookkeeping records
- Business ledgers listing income amounts received and expenses incurred
- Actual receipts
- Contracts for work
- Statements from patrons and companies
- Most recent Internal Revenue Service (IRS) U.S. Individual Income Tax Return (1040) form. Below are common IRS Schedule forms that the participant may provide in addition to the 1040:

  Schedule C, Profit or Loss From Business

  Schedule E, Supplemental Income and Loss

  Schedule F, Profit or Loss from Farming

  Schedules B-1, C, D, K, K-1, K-2, K-3, and M-3 of IRS U.S. Return of Partnership Income (1065) form (See Limited Liability Company (LLC) Definition for more information about LLCs.)

NOTE Do not use the most recent IRS 1040 and Schedule forms when the participant indicates it does not accurately reflect the participant's current income.

- Rent or mortgage receipt for business property
- Property tax statements for business property
- Utility costs for business property
- Cleaning cost bills for business property
- Business location and equipment maintenance
- Personal records indicating personnel salaries or costs of outside labor, such as canceled checks and payroll checks

AZTECS Keying Procedures

Key the OT Income Code in the INC TYPE field on EAIC or UNIC.

Document the case file(g) thoroughly to support keyed codes, amounts, and frequencies. See the AZTECS Data Entry Guide for instructions on keying the AZTECS income screens.

Legal Authorities

Public Law 117-2

Prior Policy

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