STATE OF CALIFORNIA—HEALTH AND WELFARE AGENCY

DEPARTMENT OF SOCIAL SERVICES
744 P Street, Sacramento, CA 95814

May 24, 1995

ALL-COUNTY LETTER NO. 95-22

REASON FOR THIS TRANSMITTAL

[ ] State Law Change
[ ] Federal Law Change
[ ] Court Order or Settlement Agreement
[X] Clarification Requested by One or More Counties
[ ] Initiated by CDSS

TO: COUNTY WELFARE DIRECTORS
COUNTY SCC COORDINATORS

SUBJECT: QUESTIONS AND ANSWERS PERTAINING TO IMPLEMENTATION OF THE SUPPLEMENTAL CHILD CARE (SCC) PROGRAM

REFERENCE: ALL-COUNTY LETTER (ACL) NO. 93-84
MANUAL OF POLICIES AND PROCEDURES (MPP) SECTIONS 44-500 THROUGH 44-509

This All-County letter will clarify issues related to the implementation of the Supplemental Child Care (SCC) Program. It contains responses to commonly asked questions received from counties since implementation. These questions and answers were developed in conjunction with the county representatives serving on the Eligibility and Grant Technical Review Team (TRT), a sub-committee of the County Welfare Director's Association (CWDA).

If you have any questions, please contact Ms. Jan DeSilva in Child Care Programs at (916) 654-1768.

Bruce Wagstaff

BRUCE WAGSTAFF
Acting Deputy Director
Welfare Programs Division

Enclosure

c: CWDA

SUPPLEMENTAL CHILD CARE (SCC) PROGRAM
QUESTIONS AND ANSWERS

GENERAL

1. Is there an application process for SCC?

   No. Counties provide eligible recipients with a Monthly Child Care Report (SCC 6) to complete and submit child care costs to the county with their monthly CA 7/SAWS 7. If a working AFDC recipient has submitted a completed SCC 6 as specified in MPP Section 44-506.1 and has an eligible provider and child, the recipient is automatically eligible to receive an SCC payment for any child care costs in excess of the amount allowed as a child care disregard in the AFDC grant calculation up to the federal limit.

2. Should SCC payments be reported for child support collection?

   No, the SCC payment is not part of the AFDC grant amount which is the only amount currently reported.

3. Are SCC payments subject to Quality Control (QC) review?

   No, child care payments are not currently subject to QC review.

4. Why is a separate SCC NOA BACK necessary and what can counties do when, due to automation, they cannot use the special SCC back?

   A separate BACK is no longer necessary because the standard AFDC NA BACK was revised to include language informing the recipient that there is no aid paid pending the hearing decision in SCC. The revised BACK was released on All County Letter (ACL) #94-63 dated July 28, 1994. If a county is unable to use the revised NA BACK 7, the county must continue to use the SCC BACK included in the SCC implementation ACL #93-84 issued on October 28, 1993 or add the language from the SCC BACK to the front of all SCC NOAs.

5. Are counties required to track SCC caseloads?

   Counties are not currently required to track their SCC caseloads beyond the Title IV-A Child Care Monthly Statistical Reporting requirements, Form ACF 115 (State).

SCC PAYMENTS

6. When are SCC payments made? (MPP Section 44-507.21 & .22)

SCC payments can be made any time after the date of receipt of a complete SCC 6 during the report month and up to the first day of the payment month.

7. At what point is the payment amount rounded down? At the end of each child's computation or at the end when the total SCC payment is determined? (MPP Section 44-505.2)

The total monthly SCC payment amount should be rounded down as a final step. Therefore, counties would first compute the SCC amount for each child and provider, add all the amounts together, and then round down the total.

8. Are separate checks required for each child or can one total check be sent to the AU? Can the SCC payment amount be added into the AFDC grant amount so that just one check is issued?

A separate check for child care payments for each child is not necessary and counties can decide how to issue an SCC payment. However, counties must separate the AFDC payment from the SCC payment, issuing two checks, in order to ensure appropriate warrant tracking to the assistance and administrative expense claims. This will also ensure that the SCC payment is not included for Child Support reporting purposes.

9. Should counties issue an SCC payment when the amount is less than $10?

Yes, there is no authority to refuse to issue an SCC payment less than $10. AFDC rules do not apply in this situation.

10. Should counties issue an SCC payment when the amount of the reported child care costs exceeds the income earned (e.g., the recipient earned $300 but reported child care costs of $400)? Should counties ask the recipient how they paid the child care costs?

If the family is otherwise eligible, counties should issue the SCC payment. However, counties should proceed with a fraud referral if county guidelines require a referral when a recipient's expenses exceed their earnings.

11. Should counties issue an SCC payment when the amount of the child care costs are less than the $175/200 maximum child care disregard amount but the family did not receive the maximum amount due to not enough net non-exempt income.

Yes, each eligible child is allowed the maximum child care benefit whether it is through the disregard or SCC or a combination of both. According to MPP Section 44-505.1, counties must pay the difference between the child care costs and the disregard amount used to reduce the net countable income in the AFDC grant computation.

Example: Recipient paid $150 in child care costs for a month, but due to the remaining net non-exempt income, only received a $50 child care disregard.

The recipient is eligible for a $100 SCC payment for the remaining child care costs.

12. Is a family that receives only earned in-kind income eligible for SCC?

Yes, provided the family is otherwise eligible.

13. Is a family eligible for an SCC payment for the last two months when they are discontinued from aid? For example, child care costs were incurred in November and reported timely in December, but the family is discontinued from aid as of December 31.

Counties were instructed in the SCC implementation ACL #93-84 that when a family is not eligible for the child care disregard in their AFDC computation, the family would not be eligible for SCC. Therefore, when the family is discontinued from aid and does not receive a disregard for their last two months, the family is ineligible. However, as a result of clarification from the Federal Department of Health & Human Services which allowed an SCC payment even when the family was ineligible for the disregard, the SCC regulations were revised. As a result, counties can now issue SCC payments for child care costs incurred in months when the family was eligible for AFDC up to the 75th percentile rate ceiling.

14. Are child care costs paid for a child in the home that is receiving federal foster care or Supplemental Security Income/State Supplementary Payment (SSI/SSP) reimbursable from SCC?

The SCC implementation ACL #93-84 which provided the emergency SCC regulations did not allow SCC payment for children that were not in the assistance unit (AU). However, in response to clarification received from the Federal Department of Health & Human Services, the regulations have been modified to allow SCC payments when the child care costs were paid for a child who would be in the AU but for the receipt of federal foster care or SSI/SSP according to MPP Section 44-503.12.

15. Is the family eligible for an SCC payment when the family is placed back on AFDC within 30 days from the discontinuance and remains in retrospective budgeting?

Yes, provided the family was eligible for AFDC.

16. Is a family eligible for an SCC payment in a suspense month?

In the SCC emergency regulations issued with the SCC implementation ACL #93-84, a family would not be eligible for SCC unless the family was eligible for a child care disregard in their AFDC grant calculation. Since suspended cases fail to meet gross income or net income requirements and do not have the disregard applied in their grant computation, the family would be ineligible for SCC. However, in response to clarification received from the Federal Department of Health and Human Services, the SCC regulations were modified in MPP Section 44-503.1 removing the requirement to be eligible for a child care disregard. Therefore, cases in suspense are now eligible for SCC as long as the family meets the other SCC eligibility criteria.

17. Is a family eligible for an SCC payment during a zero-basic grant month?

Yes. In cases with zero-basic grants, recipients meet financial eligibility for AFDC but are not issued a grant because the payment is less than ten dollars.

18. Is a family consisting of an undocumented alien parent and U.S. born children eligible for SCC?

To be eligible for SCC, the working parent must be receiving AFDC and be a member of the AU. Therefore, since the undocumented alien parent is not a member of the AU, the family cannot receive SCC according to MPP Section 44-503.11.

19. Is a family eligible for an SCC payment for children eligible under the Edwards vs. Carlson case?

No, unless the Edwards child is in the same AU as the caretaker. These children are generally in their own AU.

20. Should SCC payments be paid in the prospective budgeting process for new applicants?

SCC payments are not considered in the prospective budgeting process because SCC eligibility must be determined only after both the CA 7/SAWS 7 and the SCC 6 are submitted timely (up to the first day of the payment month). Therefore, the SCC payments are always issued on a retrospective basis.

21. Child care costs were submitted for two eligible children using two separate providers. One of the providers was ineligible for an SCC payment. How does the county determine the appropriate child care disregard amount when computing the SCC payment for the eligible child/provider?

The county would use only the child care disregard amount given to the one eligible child using the eligible provider.

22. Should SCC be considered in the financial eligibility determination test and the 185 percent gross income test?

No, because AFDC eligibility must first be established before SCC eligibility can be determined. The AFDC rules for eligibility determinations have not changed.

23. How does it affect the SCC payment when both parents in a two-parent household work and both claim part of the child care costs?

AFDC regulations allow for the earned income to be disregarded for either or both employed recipients. The disregard could be given to either parent and/or split up between the two as long as the sum of the two does not exceed the maximum per child. The SCC calculation is to be based on the amount of child care costs that were not included in the disregard process by the AU for a particular child.

24. How does it affect the SCC payment when child care costs are paid in advance (e.g., the recipient paid for December's child care in November)?

The family is eligible for the child care disregard up to the maximum from the earnings in the budget month the child care costs were paid. They are eligible for an SCC payment for any excess child care costs. However, for SCC purposes, the county would have to wait until the next month's CA 7/SAWS 7 is submitted to confirm that the recipient worked during the hours the child care was provided as required in MPP Section 44-504.2.

Example: A recipient pays $300 to her child care provider in November for December's child care. She reports the payment on her December CA 7 and SCC 6.

The recipient is allowed the maximum disregard of $175 for the budget month of November. However, the county cannot issue the SCC payment for the remaining $125 until December's work hours are reported on her January CA 7 and reviewed to confirm the work hours are related to the child care hours.

25. How does it affect the SCC payment when the child care costs were paid for two months at one time (e.g., the recipient paid for both November's and December's child care in December)?

The AU can only receive one child care disregard per child up to the maximum within the AFDC computation regardless of whether the child care costs were for multiple months. SCC can reimburse all costs in excess of the disregard amount, up to the rate ceiling for each month, even if those costs were for multiple months. However, for SCC purposes, the county must confirm that the child care hours relate to the work hours as required in MPP Section 44-504.2. Therefore, depending on which months were paid for, the county will have to either review a former CA 7/SAWS 7 or wait until a future CA 7/SAWS 7 is received before issuing the SCC payment.

Example: A recipient pays $400 to her child care provider in December for November's ($200) and December's ($200) child care and reports the payment on her January CA 7.

The recipient is eligible to receive only one $175 child care disregard from the December budget month. The recipient is eligible to receive the remaining $225 in an SCC payment provided the child care hours relate to the work hours submitted on both December's and January's CA 7s.

26. How does it affect the SCC payment when the child care costs were paid the following month (e.g., the recipient paid for November's child care in December and reported it in January)?

If the family has earned income, the family would receive the disregard up to the maximum and SCC for any excess child care costs from the budget month (i.e., December). However, for SCC purposes, the county should confirm that the child care hours reported on the SCC 6 are related to the work hours reported on the former month's CA 7/SAWS 7 as required in MPP Section 44-504.2.

If the family has no earned income in December, the family would be eligible for SCC for the entire child care costs up to the 75th percentile payment limit.

27. Can SCC pay for child care costs paid when either the child was absent from the child care provider or when the recipient was absent from work? And, if yes, under what circumstances? (MPP Section 44-504.2)

Yes, but only if the child care provider is licensed and has a written policy that requires payment during such absences. Counties should require a copy of the policy and keep it on file. However, if a recipient is only working part-time (4 hours a day) and is using a licensed provider that only provides care on a full-time basis (8 hours a day), the county should encourage the recipient to select child care that corresponds more closely to the hours of his/her employment.

28. When both parents are in the home in an AFDC-U case, can SCC reimburse the costs of outside child care when only one parent is working and the other parent should be available to provide the care? (MPP Section 44-503.11)

According to Federal rules, child care payments cannot be issued unless they are needed to maintain employment. This means that child care payments can only be issued to families when no one in the home can care for the child while the parent is working. In a two-parent household, the only time SCC payments can be issued is when the other parent is unavailable to provide the care. "Unavailable" is defined as the parent is working, going to school, looking for work to satisfy Unemployment Insurance Benefits (UIB) requirements (but only for the days proof is provided), is a known child abuser, or is medically unable to provide the care and the county has received a doctor's statement to that fact. Medically unable to provide care would include alcohol and drug abusers but only with the appropriate documentation.

29. Can SCC reimburse costs for child care provided by a religious institution?

Federal law and case law concepts generally prohibit the use of public funds, including SCC, for religious instruction. This legal concept is based on the general constitutional principle of separation of church and state. Therefore, SCC can reimburse costs that are for child care only and not for religious instruction. If a family chooses a religious facility, the facility must separate out the hours and costs associated with any religious instruction so that SCC only reimburses those costs associated with child care.

30. Are registration or application fees charged by child care providers eligible for SCC reimbursement?

Yes. Registration and application fees are eligible for SCC reimbursement when, after being prorated over the life of the fee and added to the current monthly child care costs, the total costs are under the 75th percentile rate ceiling. A

separate All-County Letter (ACL) is currently being developed to provide counties with specific instructions for determining the eligibility of registration and application fees in all child care programs.

REGIONAL MARKET RATE CEILINGS

31. Are the guidelines for using the RMRs for SCC the same as those currently used to determine rate ceilings in the GAIN and TCC programs?

Yes. To be consistent with all current Title IV-A child care programs, the guidelines are the same. The exception is that GAIN uses a different regional market rate ceiling which is 1.5 Standard Deviation Above The Mean.

32. What rate ceiling category in the RMRs should counties use to determine the appropriate SCC rate ceiling?

Counties were instructed in the SCC implementation ACL #93-84 to use whatever RMR ceiling was appropriate according to how the provider charges. However, in public testimony received on the SCC regulations, counties commented about the difficulty in determining the appropriate rate ceilings and requested to use only the "monthly" rate ceilings as in the Transitional Child Care (TCC) Program. As a result, counties now must use only the "monthly" rate ceiling when calculating the maximum SCC payment regardless of the provider billing method.

33. How is full-time (FT) and part-time (PT) child care defined for SCC?

As discussed in the SCC implementation ACL #93-84, full-time child care is defined as "35 or more hours of care a week" and part-time child care is defined as "under 35 hours of care a week". However, in response to public testimony, the definitions for full and part-time care have been changed in the regulations to "more than 147 hours of care in a month is full-time" and "147 or less hours of care in a month is part-time". Therefore, counties must now use the revised definitions for full and part-time care as provided in MPP Section 44-502(f)(1) and (p)(2).

34. How is the rate ceiling determined when a child has multiple child care providers?

The rate ceiling is determined for each child care provider separately. Counties should use the monthly rate ceiling listed by the type of provider and the appropriate age category for each provider.

SCC 6

35. How should counties distribute the SCC 6 to eligible recipients and should counties send a self-addressed envelope with the SCC 6? (MPP Section 44-507.11)

Counties can decide how to distribute the SCC 6 to eligible recipients and whether to send an envelope. Counties may want to include an SCC 6 with their distribution of CA 7/SAWS 7. However, we do understand that not all AFDC recipients have earned income and do not need an SCC 6. Another process that counties may want to use is the distribution of Reduced Income Supplemental Payments (RISP) forms. Counties can parallel the RISP process in the distribution of the SCC 6.

36. Can the SCC 6 be required in order to determine whether a family is eligible for a child care disregard in the AFDC computation?

The family can choose to use the SCC 6 for reporting child care costs in order to receive the child care income disregard but the county cannot mandate its usage. The SCC 6 requests more information than is currently required for receipt of the child care disregard. Therefore, when a recipient does not submit an SCC 6 but does submit an acceptable receipt, counties must continue to allow the child care disregard. However, a recipient must submit the SCC 6 in order to receive an SCC payment.

37. Can the SCC 6 be required for reporting child care costs for the Food Stamp Program?

The family can choose to use the SCC 6 for reporting child care costs for the Food Stamp Program, but again the county cannot mandate its use. The SCC 6 requests more information than is currently required for receipt of the child care deduction for Food Stamp purposes.

38. When can a recipient submit a completed SCC 6? (MPP Section 44-506.1)

The recipient can submit the completed SCC 6 anytime between the first day of the report month until the first day of the payment month. For example, child care costs paid in November must be submitted on an SCC 6 on or after December 1 and through January 1. However, in order for a recipient to receive his/her SCC payment by the first day of the payment month, the recipient must submit the SCC 6 by the eleventh calendar day of the report month.

39. How does it affect the SCC payment when a recipient submits his/her CA 7/SAWS 7 timely but submits his/her SCC 6 late? (MPP Section 44-506.3)

The later the recipient submits his/her SCC 6, the later the SCC payment will be issued by the county. When a recipient submits the SCC 6 after the first working day of the payment month, the SCC payment will be denied unless there is good cause. Also, when the timely CA 7/SAWS 7 includes a child care receipt without the SCC 6, the recipient is still eligible to receive the child care income disregard but not SCC.

40. If an SCC 6 is received incomplete and late in the month (e.g., last day of the month), is the SCC 6 still returned to the recipient and required back by the first day of the following month or should a ten-day period be allowed? (MPP Section 44-507.23 -.25)

In response to public testimony, the SCC regulations were revised to require counties to immediately deny an SCC payment when an SCC 6 is submitted incomplete. However, the good cause criteria found in MPP Section 40-181.233 should be considered when necessary.

41. What is considered an incomplete SCC 6? (MPP Section 44-507.25)

When submitted, all items on the SCC 6 should be complete. However, if an SCC 6 is received with any item left blank, the county will verify the information was provided on a previous SCC 6 (i.e., the provider's address) or is in the case file (i.e., the child's birthdate). However, items that must be completed on each monthly form are the amount(s) paid, the date paid, the days and hours care is provided for every child, and the provider's and recipient's signatures and dates.

42. If the SCC 6 is determined to be incomplete, are counties required to return the SCC 6 to the recipient for completion? Should a copy or the original SCC 6 be returned? (MPP Section 44-507.25)

An incomplete SCC 6 should be treated in the same manner as an incomplete CA 7/SAWS 7. Therefore, either a copy or the original should be returned to the recipient. In either case, counties should keep a copy on file.

43. If the child care provider does not complete the information requested on the SCC 6, what action should counties take?

SCC payments cannot be issued without a completed SCC 6. Information contained on the form meets federal requirements for making Title IV-A child care payments. Therefore, counties should deny the SCC payment when the SCC 6 is incomplete according to MPP Section 44-507.25.

44. What is the county's responsibility to verify the child care provider's eligibility or license status? (MPP Section 44-503.13)

Since both the parent and the provider have signed under penalty of perjury as to the truth of the information provided on the SCC 6, no other verifications are required. However, if a county is aware of a discrepancy with the information provided (e.g., the provider claims they are licensed, but the county knows they are not licensed or if the license number provided is not a 9-digit number), the county should notice the recipient immediately that the SCC payment will be denied due to an ineligible child care provider. The immediate notice will allow the recipient to change providers to stop any further loss of benefits. Furthermore, to assist counties in this area, the SCC 6 has been amended to require the recipient to sign a "release of information" to allow counties to directly contact the child care provider to verify the provided information.

45. What is the county's responsibility when MEDS shows that the child care provider is receiving AFDC, Food Stamps, and/or Medi-Cal? (MPP Section 44-507.14)

Counties are encouraged to inform the provider's eligibility worker about the earned income, even when the worker is in another county. The eligibility worker can then check the provider's CA 7/SAWS 7 for the required reporting of the income.

46. What is the county's responsibility to verify the transportation time according to MPP Section 44-504.22 when the address of the worksite is not known?

This problem has been addressed by revising the SCC 6 to ask the recipient for his/her commute time. However, when an SCC 6 is submitted with what seems to be an excessive commute time, counties should ask the recipient to justify the amount of transportation time they are reporting.

NOTICE REQUIREMENTS

47. Since SCC is a reimbursement program, are noticing requirements "adequate" or "timely"? (MPP Section 44-507.3)

According to Division 22 regulations, all noticing requirements for SCC require "adequate" notice and some actions also require "timely" notice. Counties are required to notify recipients of a reduction in their SCC payment maximum on a timely basis, either 10 days before the first day of the payment month when the SCC 6 was submitted timely or 10 days before the payment is issued when the SCC 6 was submitted late. Other SCC notices that require timely notice are the overpayment notices. The SCC notices for payment approvals, denials, and payment increases all require adequate notice sent as soon as administratively feasible.

48. If an SCC 6 is received with child care costs below the disregard limit and all child care costs will be reimbursed through the disregard process, is it necessary to send an SCC denial notice? (MPP Section 44-507.312)

No. The AFDC NOA would indicate, within the AFDC grant computation, that the entire amount of child care costs are disregarded so no further notice is necessary.

49. If a recipient fails to submit an SCC 6 with their CA 7/SAWS 7, does the county have any responsibility to notify the recipient of non-receipt or to send them a denial NOA?

No. Counties are not required to notice the recipient provided that the county previously informed the recipient about SCC and gave an SCC 6 to the recipient. However, counties are encouraged to provide a courtesy notice to the recipient for the first instance that the recipient fails to submit an SCC 6 after having requested SCC in a prior month.

50. Is a separate SCC discontinuance notice necessary when a family is discontinued from AFDC?

No. SCC is a benefit provided under the AFDC Program, therefore, no other notice is necessary.

51. When are NOAs required? (MPP Section 44-507.3)

Counties are required to send SCC NOAs in the following situations:

(a) Approval of the first SCC payment which provides the recipient with the maximum rate ceiling for each child and the SCC payment calculation;

(b) A change in the SCC payment amount or rate ceiling due to a change in the child care provider or the age of child or a change in earned income;

(c) Denial of the SCC payment when an SCC 6 is either submitted incomplete or when an SCC 6 is submitted complete but the reported child care costs are ineligible for an SCC payment or for full reimbursement through the child care income disregard;

(d) Denial of the SCC payment when either the child or the child care provider is not eligible for a payment;

(e) Rescission of a denial when an incomplete SCC 6 is completed and resubmitted or when the recipient qualifies for the good cause criteria when the SCC 6 was submitted after the first day of the payment month;

(f) Informing a current SCC recipient of an overpayment and any future overpayment adjustment in their SCC payments;

(g) Informing a former SCC recipient of an overpayment and to demand repayment.

52. In response to public testimony, MPP Section 44-507.15 was added requiring counties to inform SCC recipients of the availability of the Transitional Child Care (TCC) Program. How do counties meet this requirement?

Counties meet the requirement in MPP Section 44-507.15 when they provide an SCC 5, the SCC Information Sheet, to AFDC applicants and recipients. The SCC 5 provides information regarding the availability of the TCC Program. In addition, counties should add TCC informing language to all SCC denial Notice of Actions.

OVERPAYMENTS

53. If a county finds out the child care provider was not eligible (e.g., not licensed and needed one, etc.), are counties required to collect past SCC payments as an overpayment? (MPP Section 44-503.13)

Yes. A recipient is eligible for an SCC payment only if the child care provider meets all the conditions listed in MPP Section 44-503.13. When a county is informed that the provider did not meet all of the conditions after the recipient was already issued the SCC payment, the SCC payment is considered an overpayment and should be treated according to MPP Section 44-508.

54. Where do counties report the overpayment dollars? On the SSA 4972? (MPP Section 44-508)

Counties are not currently required to report overpayment dollars for SCC or any Title IV-A child care program for statistical purposes. However, for claiming purposes, collection of an SCC overpayment from a future SCC payment would be abated from the area on the Administrative Expense Claim (AEC) in which the original payment was claimed. This is an internal process within the county and is not seen or reported as such on the AEC. The county must maintain records to support.

If an SCC overpayment is collected from any other payment (Child Care or AFDC), please contact the Fiscal Policy and Procedures Bureau at (916) 657-3440 for instructions.

MISCELLANEOUS

55. According to the SCC data collection requirements, counties must collect and report the number of months each family receives SCC. Is this necessary? (MPP Section 44-509.114)

Yes, the requested information is a federal requirement within the Title IV-A Child Care Monthly Statistical Reporting Requirements (ACF 115) described in the SCC Implementation ACL #93-84. However, the information will be collected through a point-in-time survey until computer systems are modified to capture the necessary data. For more information, please contact the Statistical Services Bureau at (916) 653-5170.

56. Is the CA 30, the AFDC Budget Worksheet, being revised to include the SCC computation?

No, the CA 30 is not currently being revised to include the complicated SCC payment computation due to limited space. However, an SCC Payment Calculation Worksheet (SCC 7) was developed and included in the SCC implementation ACL #93-84 for counties to use. [Due to the implementation of the California Alternative Assistance Program (CAAP), this form

has been retitled to the Child Care Payment Calculation Worksheet.] Counties have the option of using the SCC 7 or revising their own forms to include the SCC payment computation.

57. Does it matter which child gets first credit for the child care disregard in the AFDC computation? What about when the recipient has both child care and adult care costs?

It does not matter which child gets the first child care disregard. However, when a recipient has both child care and adult care costs, it benefits the recipient to disregard the adult care costs first. Therefore, counties are encouraged to disregard the adult care costs first in the AFDC computation.

58. What are the replacement procedures for a lost SCC check?

Counties should follow the standard procedures in the Administrative Procedures Manual (Division 25, Section 330.6) for replacing a lost or stolen SCC check.

FOOD STAMPS

59. According to the SCC implementation ACL No. 93-84, the SCC payment should be subtracted from the actual child care expense for the budget month and the difference up to the $160 maximum is the food stamps (FS) dependent care deduction. However, it also states that the above deduction of the SCC payment should be done if the SCC reimbursement can be anticipated with reasonable certainty. How do we reasonably anticipate the SCC payment?

The SCC payment is to be deducted from the budget month child care costs only if the worker can anticipate with reasonable certainty that a) the client will turn in an SCC payment request for the budget month, b) the client will be eligible for an SCC payment, and c) the worker has information to determine the specific amount of the SCC payment. Therefore, when a client has been submitting an SCC 6 for the last few months, the worker should anticipate that the client will again submit an SCC 6 and should compute the food stamps provided that the worker has sufficient information to determine the amount of the SCC payment.

60. How does the worker treat an SCC payment that was not anticipated (and therefore not included in the budget) which is later received by the client?

When the client receives an SCC payment that the worker did not anticipate (and therefore did not include in the budget), the SCC payment should be treated as a lump sum payment in the month received and excluded from both income and resources.

61. How does it affect the Food Stamp allotment if the SCC payments are paid for two months at one time (e.g., the client receives December's SCC payment in January and also an SCC payment for an earlier month)?

Generally, SCC payments will not be paid retroactively for prior months, except in cases where there is an underissuance or hearing decision in favor of the client. In the event the client receives both an SCC payment for a prior month and an SCC payment for the budget month, only the SCC payment for the budget month should be deducted from the actual child care expense to determine the dependent care deduction for the budget month. The retroactive SCC payment for a prior month should be excluded from both income and resources.

62. How does it affect the Food Stamp allotment when the household paid child care costs for two months at one time (e.g., the household paid for both November and December's child care costs in December)?

In the Food Stamp Program, a child care deduction is allowed for the month the expense is billed or otherwise becomes due, regardless of when the household intends to pay the expense. Therefore, if the household incurs child care costs in November, it should report these costs on the November CA 7/SAWS 7 (due in December), even if the household does not pay the bill until December. The household should claim the December child care costs on the December CA 7/SAWS 7 (due in January) whether the household pays these costs in December or January.