

**10A NCAC 10 .0602 PARTICIPATION IN THE SUBSIDIZED CHILD CARE ASSISTANCE PROGRAM**

(a) Owners wishing to participate in the Subsidized Child Care Assistance Program shall:

- (1) enroll in the State's Subsidized Child Care Assistance Program through the State's automated provider portal located at [providerportal.nc.gov](http://providerportal.nc.gov);
- (2) enter into and maintain a contract for payment through the State's Subsidized Child Care Assistance Program vendor; and
- (3) enter into the Subsidized Child Care Assistance Program's Provider Agreement annually.

(b) For purposes of this Rule, "complete records" shall mean records having an indication of absent or present for each day a child is scheduled to attend the facility and "accurate records" shall mean attendance records with an error rate no greater than 10 percent.

(c) For purposes of this Rule, "error" shall mean that for each child the operator marks as present for a particular day on attendance sheets submitted through the automated provider portal for purposes of reimbursement from the Subsidized Child Care Assistance Program:

- (1) neither the daily attendance records required to be kept in accordance with 10A NCAC 09 .0302(d)(3) and 10A NCAC 09 .1721(e)(6) nor the records of arrival and departure times required to be kept in accordance with 10A NCAC 09 .0302(d)(4) and .1721(e)(6) show the child marked present; or
- (2) either the daily attendance records required to be kept in accordance with 10A NCAC 09 .0302(d)(3) and 10A NCAC 09 .1721(e)(6) or the records of arrival and departure times required to be kept in accordance with 10A NCAC 09 .0302(d)(4) and .1721(e)(6) show the child marked absent.

(d) For purposes of this Rule, "error rate" shall mean the total number of errors divided by the total number of entries showing the daily attendance of children on attendance sheets submitted through the automated provider portal for the purpose of reimbursement from the Subsidized Child Care Assistance Program.

(e) For purposes of this Rule, "requirements for participation" in the Subsidized Child Care Assistance Program shall include:

- (1) maintaining complete and accurate daily attendance records in accordance with 10A NCAC 09 .0302(d)(3) and .1721(e)(6);
- (2) maintaining complete and accurate records of arrival and departure times for each child in accordance with 10A NCAC 09 .0302(d)(4) and .1721(e)(6);
- (3) submitting accurate records of attendance for each child participating in the Subsidized Child Care Assistance Program to the Subsidized Child Care Assistance Program;
- (4) maintaining compliance with all of the requirements set forth in this Chapter; and
- (5) complying with the terms and conditions of the Subsidized Child Care Assistance Program's Provider Agreement.

(f) To be eligible to participate in the Subsidized Child Care Assistance Program, facilities that are exempt from licensure pursuant to G.S. 110-106 shall comply with all staff orientation and training requirements set forth in 10A NCAC 09 .1101, .1102, and .0304, in accordance with the Child Care and Development Block Grant Act, 42 U.S.C. 9858, et seq.

(g) Upon the first instance that the Division or the Local Purchasing Agency determines a facility is out of compliance with any requirement for participation the Division shall:

- (1) notify the operator of the non-compliance; and
- (2) issue a corrective action plan to address the areas of non-compliance and assist the facility to come into compliance; and
- (3) set a time limit for the operator to complete the corrective action plan depending upon the nature of non-compliance.

(h) Upon the second instance in a two-year period that the Division or the Local Purchasing Agency determines a facility is out of compliance with any requirement for participation, the operator shall be prohibited from enrolling new children who receive subsidized child care for one year, and the Division shall:

- (1) notify the operator of the non-compliance; and
- (2) issue a corrective action plan to address the areas of non-compliance and assist the facility to come into compliance; and
- (3) set a time limit for the operator to complete the corrective action plan depending upon the nature of non-compliance.

(i) An operator who fails to maintain compliance in accordance with Paragraph (b) of this Rule three times in a two-year period shall be terminated from and permanently ineligible to participate in the Subsidized Child Care Assistance Program.

(j) If the operator fails to complete the corrective action plan within the required timeframe, the Division shall terminate the owner participation in the Subsidized Child Care Assistance Program and the owner or any operator who is not an owner shall be permanently ineligible to participate in the Subsidized Child Care Assistance Program.

(k) Upon request for review by a local, state, or federal agency representative, the operator of a child care facility shall immediately provide all records pertaining to his or her participation in the state's Subsidized Child Care Assistance Program. These records include:

- (1) daily attendance records kept in accordance with 10A NCAC 09 .0302(d)(3) and .1721(e)(6);
- (2) records of arrival and departure times for each child kept in accordance with 10A NCAC 09 .0302(d)(4) and .1721(e)(6);
- (3) records of attendance maintained for purposes of the federal Child and Adult Care Food Program; and
- (4) any other records that show children's attendance at the facility.

(l) If the Local Purchasing Agency determines a facility to be out of compliance with any requirement for participation in the Subsidized Child Care Assistance Program, the Local Purchasing Agency shall notify the Division of the noncompliance within five days of its determination.

(m) An operator may appeal a determination of noncompliance or permanent ineligibility under this Rule as follows:

- (1) pursuant to 10A NCAC 10 .0311 if Local Purchasing Agency makes the determination of non-compliance or permanent ineligibility; or
- (2) pursuant to 10A NCAC 10 .0312 if the Division makes the determination of non-compliance or permanent ineligibility.

*History Note: Authority G.S. 143B-153(2a);  
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