

**OVERVIEW – BEST BEGINNINGS CHILD CARE SCHOLARSHIPS**

**CHILD CARE 1 – 3**

**Definitions**

**Supersedes:** Child Care 1-3 (9/30/16)

**References:** Section 52-2-703, MCA.  
Sections 37.80.101, .102, .103, .201, .202, .205, .206, .301, .302, .305,  
306, .315, .316, .501, 37.95.304 ARM  
45 CFR 98.2 and 98.33  
Child Care Fund State Plan, Appendix 2

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**A**

**Absent Parent** means a natural or adoptive parent, or stepparent who is separated or divorced from the child's residential parent, or who was never married to the residential parent. An absent parent does not share family income, resources, or obligations with their child's household, except by paying child support or alimony.

**Abuse/Misuse of funds** is defined as administrative violations of departmental, agency, or program regulations which impair the effective and efficient execution of programs. These violations may result in losses or they may result in denial or reduction in lawfully authorized benefits to participants.

**Activity Requirement** means hours required to qualify for the Best Beginnings Child Care Scholarship. See Policy Section 2-3 for a list of qualifying activities.

**Adverse Action** means a decision to deny, decrease, or to terminate benefits and includes:

- a failure of the Department or of the Child Care Resource and Referral [CCR&R] agency to provide a parent an opportunity to make an application or reapplication for a child care scholarship;
- a failure of the Department or of the [CCR&R] agency to act within the timeframe stipulated in Policy Section 2-1 on a parent's application for a child care scholarship
- a failure of the Department or of the [CCR&R] agency to provide timely or adequate notice when an adverse action will be taken;
- an action by the Department or the [CCR&R] agency denying, suspending, reducing, or terminating the scholarship of a parent or payment(s) to a provider, or an action by the Department demanding repayment of an overpayment.

**Affordable Child Care** means the total parental (caretaker, relative, or person acting in loco parentis) co-payment and 'above and beyond' obligation does not exceed 25% of gross family income.

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**Applicant** means an individual applying for the Best Beginnings Child Care Scholarship program.

**Application Date** means the date the child care resource and referral agency receives and date stamps the completed Best Beginnings Child Care Scholarship Application. The application date establishes the beginning of the time span in which the application process must be completed. The appropriate date is the one stamped received by the CCR&R agency or the submit date attached to an online application.

**Appropriate Child Care** means the child care provider must meet applicable state licensing standards established by the Child Care Licensing Program within the Quality Assurance Division in DPHHS.

**Approved training institution** means an institution that is accredited by the U.S. Department of Education [<http://ope.ed.gov/accreditation>]

**Attending (a Job Training or Educational Program)** A person is considered to be attending, whether part-time or full-time, if enrolled credits and fees paid documentation is submitted. Child care is allowed for scheduled class time and the time necessary to commute between the parent's home, the child care facility and the education or training facility.

**Authorization Plan** means a notice issued through the Child Care Under the Big Sky [CCUBS] system by the Child Care Resource & Referral [CCR&R] agencies which authorize child care assistance and which specifies the eligibility of the family and the children's authorization for care. Refer to Policy Section 6-3.

**Authorization to Release Information** means the part of the child care application packet used to assist the applicant/participant in obtaining information necessary to determine eligibility. It explains the client's rights to confidentiality and gives the participant/applicant the option of authorizing the release of information or declining to authorize the release of information. Unless the release is temporary, it is generally good for one year.

**Authorization of Service** means the span of time, number of hours per week, and schedule that an eligible child is approved for care at a particular provider's facility. In addition, it indicates the monthly payment amount that the family is approved to receive for the indicated child at the indicated facility. The authorization of services is used to create the Authorization Plan.

## B

**Bi-weekly** means the time frame for converting income into a monthly figure when the pay date occurs every other week regardless of the actual date totaling 26 pay periods each year.

## C

**Child Care Resource & Referral Agency (CCR&R)** or resource and referral agency means the agency or organization with which the department contracts to administer the child care scholarship program, including determination of eligibility for families and payments to providers. The department also contracts for direct services and supports for providers which include training,

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general technical assistance, STARS Consultation, and STARS Pyramid Model Coaching. CCR&R agencies offer consumer education to families, providers, and the public.

**Child Care Scholarship** means the monthly benefit amount that is awarded to a qualifying parent for assistance in paying child care costs while they work, attend school, or participate in TANF Employability/Service Plan.

**Child Care Under the Big Sky (CCUBS)** is a child care program management computer system that integrates licensing, subsidy, and contract management functions.

**Child Support** is defined by the Child Support Enforcement Division [CSED] in the authority given to the division under ARM 37.62.101.

**Collateral Contact** means knowledgeable individuals or sources who serve to support or confirm information provided by the applicant/parent.

**Copayment** means the portion of child care expenses which the parent is responsible for paying to the child care provider in accordance with the sliding fee scale as established in Policy Section 1-5.

**Corporation** means a business type that exists separately from the individual who owns interest in it. Must file a separate corporate tax return. Two types: C-Corporation and S-Corporation.

**Corporation: C-type** means a business where shareholders receive profits in the form of dividends. The dividends must be reported on the shareholder's individual tax return and are counted as unearned income to the client and use the individual wages and dividends instead of the self-employment figures to compute income.

**Corporation: S-type** means a small business corporation of 35 or fewer shareholders taxed only at the shareholder level, is similar to a partnership in that each partner separately reports his or her share of the income, deductions, loss, and credits on their personal tax forms, and must file a tax return on form 1120-S. Note: Farm S-corporations must file a form 1120-S and are not required to file a Schedule F. However, some farm corporations may file both forms.

## D

**Dependent Child** means a child under the age of 18 who lives in the household of a natural or adopted parent, foster care parent, or an adult serving in loco parentis.

## E

**Earned Income** refers to income that is the monthly equivalent of all earnings received [before taxes and other deductions], no matter when it was earned.

**Education Program** refers to a program that is accredited by the State of Montana.

**Eligibility Period** refers to the time period for which a family has been determined to be eligible to receive child care assistance.

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**Express Eligibility** refers to the procedure used to determine income eligibility for SNAP participants who apply for the Best Beginnings Child Care Scholarship program.

# F

**Fraud** is a legal term which encompasses the intentional, wrongful obtaining of either money or some other advantage or benefit from government programs or commercial operations. Fraud includes theft, embezzlement, false statements, illegal commissions, kickbacks, conspiracies, obtaining contracts through collusive arrangements, and similar devices.

# G

**Grace Period** - Families who lose employment, therefore fail to meet the minimum hourly activity requirement, will be given child care for 90 days, to actively look for work. Refer to Policy Section 6-6.

**Graduated Eligibility** means eligibility for a family that has been deemed over-income for the Best Beginnings Child Care Scholarship at annual re-determination, but whose income does not exceed level used by Montana for an extended eligibility period.

# H

**Hardship** means a state of misfortune or adversity. May be temporary.

**Homeless** means individuals who lack a fixed, regular, and adequate nighttime residence; and includes:

- a) children and youths who are sharing the housing of other persons due to loss of housing, economic hardship, or a similar reason; are living in motels, hotels, trailer parks, or camping grounds due to the lack of alternative adequate accommodations; are living in emergency or transitional shelters; are abandoned in hospitals; or are awaiting foster care placement;
- b) children and youths who have a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings;
- c) children and youths who are living in cars, parks, public spaces, abandoned buildings, substandard housing, bus or train stations, or similar settings; and
- d) migratory children (as such term is defined in section 1309 of the Elementary and Secondary Education Act of 1965) who qualify as homeless for the purposes of this subtitle because the children are living in circumstances described in clauses (a) through (b). refer to the section.

**Household** means a family unit living together, related by marriage or parentage. Unrelated individuals may choose to be considered part of the household for child care eligibility purposes. See Child Eligibility and Parent Eligibility, as outlined in Policy Section 2-2.

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**Household Size** means the number of household members including the parents, as the term is defined in this section, and the children of the parents, but not including adults living in the household other than the parents, unless the income of such adults is counted in computing the household's monthly income under Policy Section 2-4.

## I

**Individual with a Disability** means an adult with a physical, mental, or emotional illness or impairment diagnosed by a licensed nurse practitioner, physician's assistant, physician, psychiatrist, or psychologist which eliminates or substantially reduces the individual's ability to obtain and retain employment for a period expected to last at least 30 days.

**Irregular Income** means income that differs in amount from month to month.

**Informal Care** means care that does not meet applicable state licensing/registration standards, even though it may be the choice of the parents.

**Intact Family** means a household with two parents who may not be living together for a specific reason, but the family considers themselves one unit. Income and availability to care for the children are to be considered for both of the parents in determining eligibility.

**Invoice** is a signed daily attendance list used by providers use to bill for child care scholarship services.

## J

**Job Training** is a program designed to assist eligible families to become self-sufficient by providing needed employment-related activities and supportive services. Job training programs include, but are not limited to, Pathways and special classes which may be classified as "employment related training.

## L

**Limited Liability Company [LLC]** means a business structure allowed by state statute, owners have limited personal liability for debts and actions of the LLC, is owned by "LLC members," and is not recognized by the federal government as a classification for federal tax purposes. An LLC must file as a corporation, partnership or sole proprietorship tax return.

## M

**Mandatory Reporters of Child Abuse** means any person required by the state of Montana to report possible incidences of abuse or neglect to Child Protective Services.

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**Monthly Pay Period** means the time frame for converting income into a monthly figure when the pay date occurs only once each month regardless of the actual pay date.

## N

**Naturalization** means the formal [as defined by the federal government] granting of U.S. citizenship to a foreigner.

**Net Income** means the income amount after expenses have been deducted regardless of the amount of income.

## O

**Over Claim** means a provider has submitted an invoice for child care services that were not approved on the Authorization Plan or for child care that was not provided.

**Over Payment** means the provider received payment in excess of what was owed to them.

## P

**Paid Legal Labor** means the amount an individual earns divided by the hours worked equals at least minimum wage as defined in Montana.

**Parent** means a parent by blood, marriage, or adoption and a legal guardian, or other person acting in loco parentis.

**Parents Living Apart** means the couple considers themselves intact. Income and resources and household obligations are shared, although the individual parents may reside in separate locations.

**Participant** means an individual already receiving assistance through the Best Beginnings Scholarship program.

**Partnership** means a business owned by two or more individuals, must file a return on federal form 1065, but not taxed as a separate entity, each partner also receives a Schedule K-1 showing his/her share of income, gain, loss, deduction, or credits. Profits are counted as earned income. Partners may receive differing shares depending on original partnership agreement and, if not working for the business, still receive Schedule K which counts as unearned income.

**Prospective Income** means determining what the family's earnings should be in future months in order to determine if a family is eligible to receive scholarship assistance. In the event that a family is determined eligible, the prospected income is also used to determine the family's copayment. It is the Early Childhood Services Bureau [ECSB] policy to determine eligibility prospectively. Changes should be applied to the future benefit month(s), not the current month. See Prospective Income as outlined in [Policy Section 2-5](#).

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**Provider** means a licensed facility, registered facility, or relative care chosen by the parent(s) to care for their child(ren) as defined by ARM 37.95.102.

# Q

**Qualifying Specified Relative** is a TANF term, which means any blood relative including those of half-blood, including first cousin, nephews, or nieces, and persons of preceding generations as indicated by prefixes of grand, great, or great-great; stepfather, stepmother, stepbrother, and stepsister; those who legally adopt the child or his/her parent as well as the natural and other legally adopted children of such persons; spouses of anyone named in the above groups even after the marriage is terminated by death or divorce; and person(s) acting in loco parentis.

**Qualified Aliens** means an individual lawfully admitted to the United States for permanent residence under various sections of the Immigration and Nationality Act (INA)

# R

**Reasonable Distance** means:

- a. If the family is without either their own (or arranged) transportation and there is no public transportation, then their home or work site must be no more than 1 mile from the child care provider.
- b. If the family has their own (or arranged) transportation, their home or work site is within one-hour travel distance, one-way, from the child care provider.

**Residing with** - A child must live in the same household as the parent, other specified relative, or persons acting in loco parentis during the period for which the child care scholarship is requested, as outlined in Section 2-1 of this manual.

**Residential Parent** means the parent with whom the child resides.

# S

**Scholarship Reimbursement Rates** are child care scholarship rates available from the DPHHS Early Childhood Services Bureau at [www.bestbeginnings.mt.gov](http://www.bestbeginnings.mt.gov).

**Self-Employment** means earning one's livelihood directly from one's own trade or business rather than as an employee of another.

**Semi-Monthly** means the time frame for converting income into a monthly figure when the pay date occurs only twice each month regardless of the actual pay date.

**Short-term Emergency** means a break in employment which does not exceed three months and which is caused by an unforeseen medical condition of a parent or a child, excluding a normal pregnancy or normal delivery of a child.

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**Significant Other** means domestic partner; a person, not necessarily a spouse, who is in a co-habiting relationship.

**Single Parent** means only one parent living with a child who is legally/financially responsible for the child and there is no other adult legally/financially responsible for the child in that eligible family. If there is someone else in the household who does not have legal/financial responsibility for the child, then the legal/financially responsible applicant is still considered a single parent.

**Sole Proprietorship** means the business is owned and controlled by one individual, is not required to file a separate tax return, must include the profit or loss from all sole proprietorships on the client's federal 1040 tax forms, and must file a separate tax schedule for each business operated under this type: Farm must file a separate Schedule F; nonfarm must file a separate Schedule C.

**Special Circumstances** means those circumstances that might influence equal access or cultural challenges that, if not granted, would interfere with continuity of care for children.

## T

**Taxable Gross Income [TGI]** means the amount of income subject to income taxes; found by subtracting the appropriate deductions (IRA contributions, alimony payments, unreimbursed business expenses, some capital losses, etc.) from adjusted gross income. For self-employed parents, taxable gross income is calculated by subtracting verified business expenses from gross receipts as defined in Section 2-4a.

**Teen Parent** means a parent through their 20th birthday who is attending high school. The Non-TANF minimum hourly activity requirement is waived for teen parents attending high school. The month following the 20th birthday or the month they leave high school the minimum hourly activity requirement applies to their eligibility for a Non-TANF Best Beginnings Child care Scholarship.

**Training** means instruction that is done to improve the skills or learning of an individual. Examples of training include on-the-job (OJT) training, truck driving, or computer skills training.

**Tribal TANF** families participate in a tribal-run TANF program on their Indian reservation. These families are dually eligible for Tribal Block Grant child care and State CCDF Best Beginnings Child Care Scholarship. If the Tribal TANF program exhausts child care funding or if Tribal Block Grant families find they are covered for additional activities under State CCDF child care rules, families may apply for a Best Beginnings Child Care Scholarship.

## U

**Unearned Income** means an individual's income derived from sources other than employment, such as interest and dividends from investments, or income from rental property. It is the participant's responsibility to provide verification of this type of income.

**U.S. Citizen** means citizenship in the United States as a status given to a legal member of the U.S. It entails specific rights, duties, privileges, and economic benefits including types of federal assistance. Citizenship is typically granted to those born on U.S. soil.



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**U.S. National** means an individual who owes his sole allegiance to the United States, including all US citizens and including some individuals who are not US citizens. For tax purposes, “the U.S. National” refers to individuals who were born in American Samoa or the Commonwealth of the Northern Mariana Islands.

# W

**Work** - An individual is working when [s]he performs any paid type of legal labor on either a full or part time basis and has documents to show income received. Evidence of workers’ compensation or a waiver from workers compensation is also further proof of employment.

**Working Caretaker Relative** means a TANF-based program available for individuals caring for child[ren] of TANF-child only grant recipients through the Public Assistance Office. These caretakers are eligible to receive a Best Beginnings Scholarship to cover their work activities.

**Work-Study** – An employment program designed to assist students to earn while attending a post-secondary education program. For the purpose of child care eligibility, work-study earnings are counted as income and work-study hours count toward meeting a minimum hourly work activity requirement.