



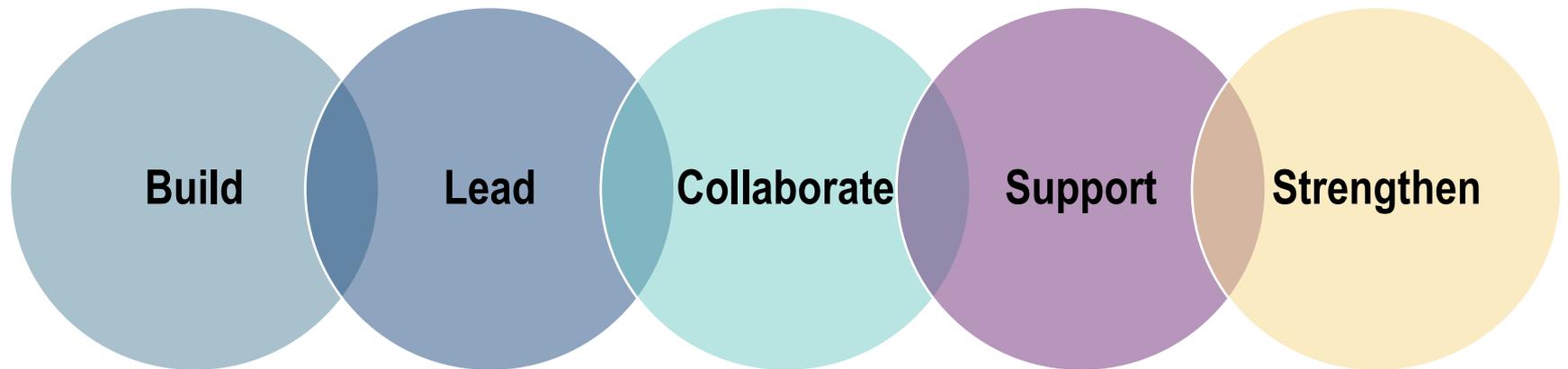
NC Department of Health and Human Services

SCCA County Training Base Periods and Verification of Income

SCCA TA Consultants

October 27, 2022

Brought to you by the Division of Child Development & Early Education (DCDEE)





The Division of Child Development and Early Education (DCDEE) would like to welcome and thank you for participating in the County Training regarding Base Period and Income Verification.

This training is a learning designed to help you familiarize yourself with the Subsidized Child Care Assistance Program.

Welcome

Objectives of the Base Period Training

Understand the definition of base periods.

Understand how to calculate base periods for earned income.

Understand how to calculate base periods for unearned income.

Base Periods

The base period is defined as periods of time that are the basis for determining income eligibility.

Refer to the IEM 4070.2

Base Periods

The base period establishes a set period of time for workers to create a “snapshot” of a budget unit’s income and for which income must be verified.

The base period should be an accurate representation of the income the household is expected to have available during the certification period.

Base Periods with Representative Income

The following base periods should be use for representative income:

One Month:

- The base period for most income is the month prior to the month of application or redetermination, if representative.

Three Months:

- The base period for child support, spousal support and alimony is the three (3) months prior to the month of application or redetermination, if representative.

Twelve Months:

- If the income is received annually or from self-employment, the base period is twelve (12) months.

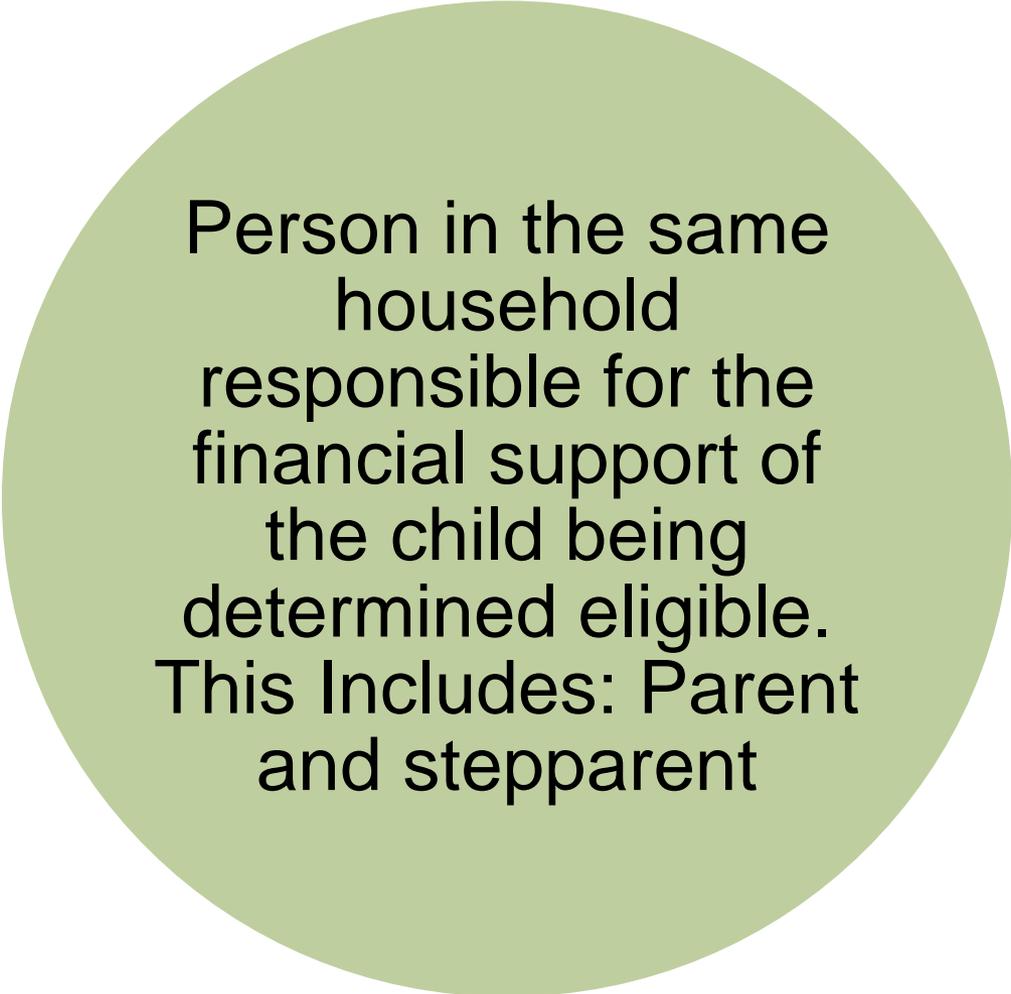
Refer to the IEM 4070.2

Assessing Income

- ✓ Income Unit
- ✓ Countable Income
- ✓ Income Verification
- ✓ Average Monthly Income

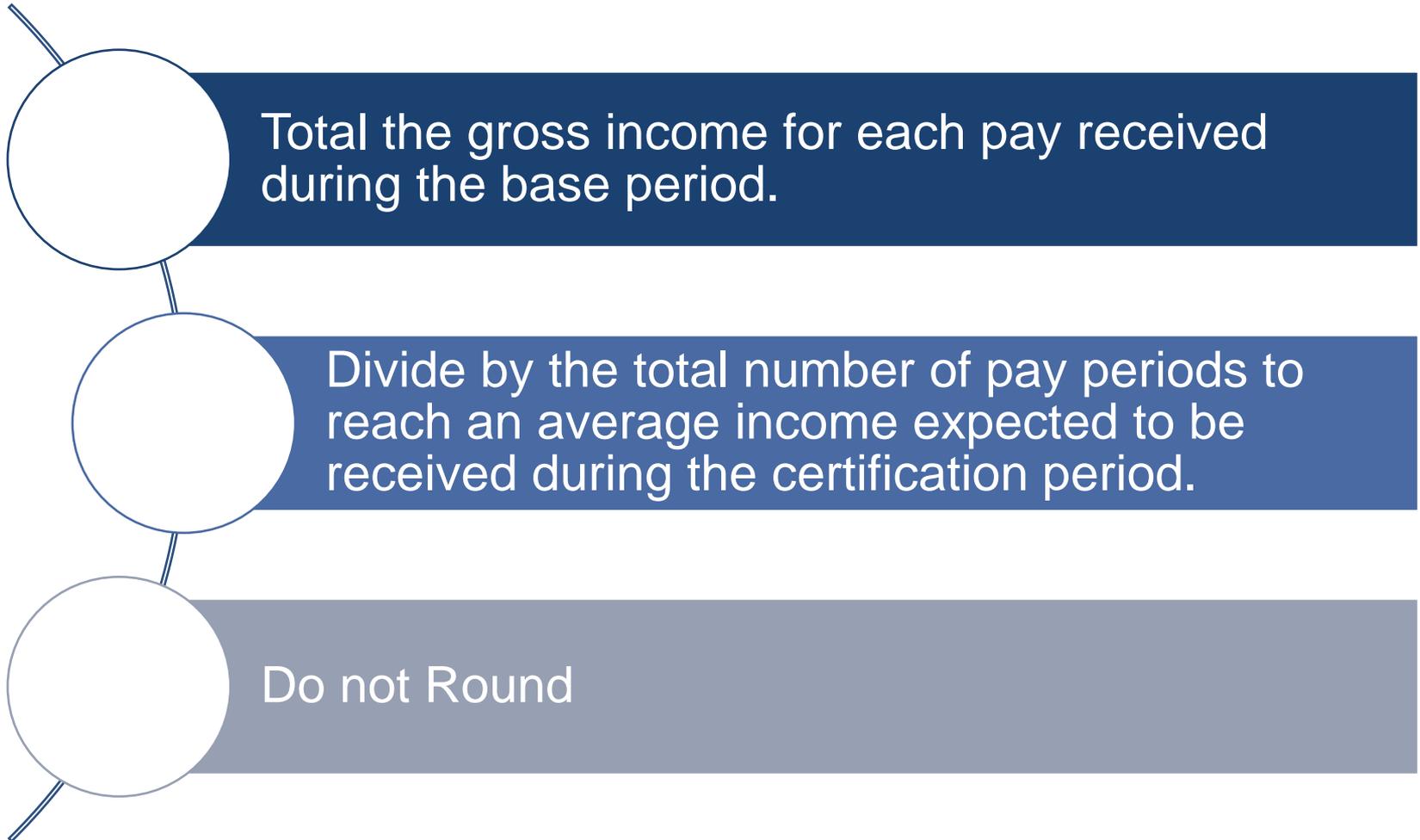
The computation of gross monthly income is made on the basis of an assessment of the family income that is anticipated during the twelve month period following the date of application.

Income Unit Defined



Person in the same household responsible for the financial support of the child being determined eligible. This Includes: Parent and stepparent

Calculating Income



Calculating Monthly Income

WAGES

- ✓ Deem income from FNS
- ✓ Use previous month's pay stubs
- ✓ Previous years tax records or 12 months of records for Self Employment
- ✓ Determine pay schedule
- ✓ Bonus and Commission Income

When calculating income with zero pay



If the base period contains a pay period of \$0 that is representative of the regular ongoing pay use \$0 in your averaging.

If the \$0 pay is not representative, then do not use that pay period and document the case record thoroughly.

Base Period with Nonrepresentative Income

Explore alternative budgeting methods for projecting or averaging income.



Determine which budgeting method is the most representative estimate of the budget unit's income over the certification period.



Project income using the best available information about the number of hours, rate of pay, and frequency of pay expected to be received over the certification period.



If you use an alternate budgeting method, you must document why the base period is not representative and how you determined what is.

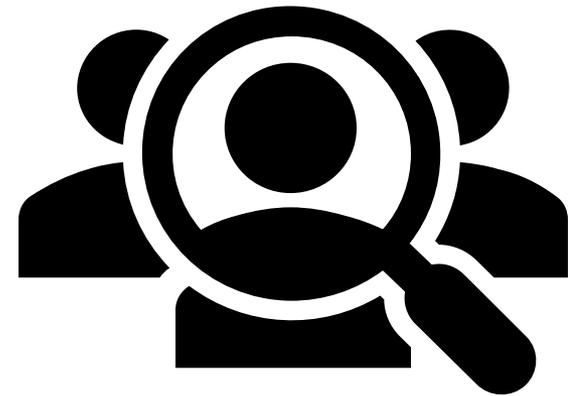
Refer to the IEM 4070.2

Special Base Periods for Non-Representative Income

Certain types of income require special base periods, particularly if the income is not stable or fluctuates.

For example:

- Seasonal Workers
- Waiters & Waitresses
- Substitute Teachers



Non-Representative Income Scenario

Client applies for child care in June and have a child support order that started May 1st. The client received 2 payments in May and 3 payments for June. What would be the correct way to capture the child support since the base period for a June is March, April, & May?

Answer:

Use the month of May as the base period for June, since the first child support payment began in May. Document the case well explaining why you (the county) cannot use March and April child support payment (there wasn't any payments made in those month).

Fluctuating Income Scenario

A 10-month school employee receives SCCA and decides to work during the summer break. How is the income counted?

The child care worker should count or average the fluctuating income. Average the income for the period of time covered and record the resulting average monthly amount on the Application for Child Care in NC FAST. This applies even if the recipient recertifies during the summer break. Teachers or school employees can be paid on a 10-month or 12-month salary. Either way, the salary is the same for the year; therefore, the annual salary can be divided by 12 months to obtain a monthly average for the entire certification period. Should the teacher or school employee work during the summer, the income is considered temporary, fluctuating income.

Base Periods & Recertifications

Identify the correct base period for recertification the month prior to the recertification end date.

Communicate to recipient that they will have to reapply for services or go on a waiting list if the recertification & documentation are not received within the correct timeframe.

Certification period will be 12 months.

Recertifications

Identify the correct base period. For recertifications the base period is the month prior to the month the recertification packet was signed.

The packet can be received in the month after it was signed, but the base period is still the month prior to the month signed.

Communicate to recipient that they will have to reapply for services or go on a waiting list if the recertification application & documentation are not received within the correct timeframe.

Document, Document, Document

Always document in the case narrative:

Office Visits

Significant Telephone Calls

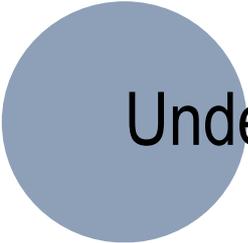
Place and hours/days of Employment

Basis of Developmental Delays

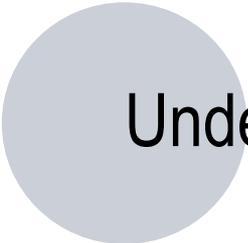
Unusual circumstances

Refer to the IEM 4060

Objectives of the Income Verification



Understand how to verify income



Understand how to document verification

Refer to the IEM 4050

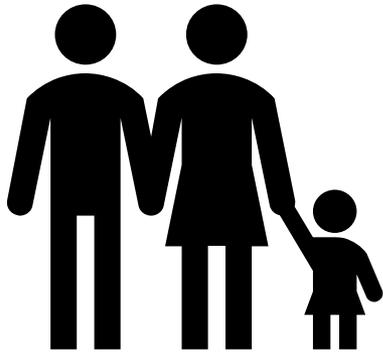
10A NCAC 10.1006



Rule states an individual who applies for child care assistance shall provide to the LPA verification of the amount and sources of their countable income as set for in 10A NCAC 10.1002.

Information regarding the amount and source of income that must be verified is discussed further in this module.

Initial Income Eligibility



Effective October 1, 2014



200% FPL – children ages 0-5 and all Special Needs



133% FPL – children ages 6-12

Determining Income Eligibility



Determine family or income unit size



Determine ages of children needing care



Verify countable income, if income is a requirement for need



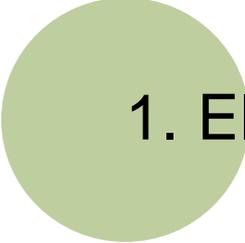
Use correct income conversion method (automated through NC FAST)

Source: SCCA Manual Chapter 7

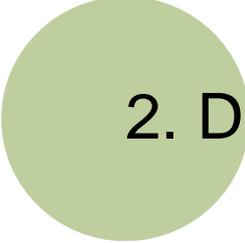
Income Verification

Verification of all income is required at application, redetermination, and at change in circumstance.

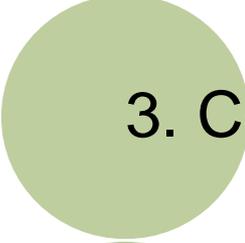
Sources of Verification



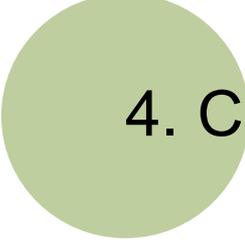
1. Electronic matching



2. Documentary evidence



3. Collateral Contact



4. Client's Statement

Guidelines for Verification of Income

- ✓ Use reasonable documentation to verify income. Avoid over-verification
- ✓ Do not require additional verification once the accuracy of a written or verbal statement has been established.
- ✓ Do not require a specific type of verification when various types are adequate and available.
- ✓ Only re-verify income information when required by program policy or when different or conflicting information is presented

Source: IEM 4050.2

Verification Method Hierarchy

Standard Earned Income Types

Verify the most recent representative pay.

Verify the client's status, rate of pay, and average hours worked with employer, either verbally or in writing.

Accept client's statement as the last possible verification method if unable to obtain from a third party.

Source: IEM 4050.3

Online Verification System (OVS)

OVS automates verification of new applicant information and any required re-verification of beneficiary information retrieved from several federal and state benefit and reporting systems.

OVS is used to verify wages from:

- ✓ Child support
- ✓ Social Security
- ✓ Unemployment

Source:

ACTIVITY #1 – VERIFY THIS

New SCCA Application Family Size 3, 2 RA and 3YO

RA #1

- Works FT
- Third Shift 9p-7a M-TH
- Pays out CS

RA#2

- School PT
- Enrolled in 3 classes 2-4pm
M/W/F
- Works PT
- Working Hours 9-1 M-F

What needs to be verified?

What is documented?

What is the POC?

ACTIVITY #2 – VERIFY THIS

New SCCA Application

Family of 6. Parents are not married, share one child- 13mos

RA#1 is also biological parent to 3 children, 13mos, 5yo & 6yo

RA#2 is also biological parent to 2 children, 13mos & 7yo

RA #1

- Works FT
- Work Hours M-F 9-5
- Pays out CS

RA #2

- Works FT
- Work Hours M-F 7-4
- Receives CS
- Receives FNS for Biological children
- 7yo has IEP

What needs to be verified?

What is documented?

What is the POC?

Documentation of Verifications

Income documentation is required for all cases.

Documentation must be detailed so that a County, State, or Federal reviewer is able to determine the reasonableness of the determination.

Documentation of verification

The following must be documented:

- ✓ Applicant or beneficiary statements regarding available income; including client's statement of no income.
- ✓ The source and type of income, and a collateral contact if one is necessary.
- ✓ Efforts to determine employment and exploration of potential unearned income
- ✓ Copies of correspondence and documents, forms, notification.
- ✓ Amount and type of earned and unearned income and any operational expenses.
- ✓ Base period used and the income available.
- ✓ Changes which may occur in the future (flag the case).
- ✓ Other facts, information, or dates used to support your decision

Source: IEM 4060 Documentation of Verification

Document, Document, Document

Document in the case narrative

- Office Visits
- Significant Telephone Calls
- Place and hours/days of Employment
- Basis of Developmental Delays
- Unusual circumstances

Child Support

Child support is a payment made by a child's non-custodial parent which is available to meet the child's basic needs. It may be paid voluntarily, or due to a court order or enforced in compliance with a State agreement under title IV-D.

When assessing child support, child care workers must determine if the child support is received or paid out.

Types of Child Support

1. Court Ordered
2. Parental Agreement outside of Court
3. in-Kind donations

Child Support Received

Child support payments received are counted in the family's total gross monthly income. These payments, however, often are considered fluctuating income and/or irregular income.

Use the amounts that the applicant/recipient receives, NOT the amount that the non-custodial parent is obligated to pay, and figure an average amount received over a period of three (3) months.

Child Support Paid

When an applicant/recipient whose income is used in determining eligibility for child care assistance pays out any amount of money in child support, that amount is deducted from the amount of countable gross monthly income for determining eligibility.

Workers need to use the one-month base period.

Verifying Child Support Non-Representative Income

In verifying income for child support, the child care worker must examine the prior three months base period. If the client's child support income does not represent each month in the three months prior, that income will be viewed as non-representative.

Contact Information

Division of Child Development and Early Education

Subsidy Services Section

(919) 527-6590

2201 Mail Service Center

Raleigh, NC 27699-2201(mailing)

333 Six Forks Rd.

Raleigh, NC 27609 (physical)

Contacts

For Policy questions:

– DCDEE.subsidy.policy.help@dhhs.nc.gov

Local Policy Approvals:

– DCDEE.subsidysubmissions@dhhs.nc.gov

For Special Needs Approval:

– Donna.Lipscomb@dhhs.nc.gov

Fraud, Overpayment and Sanction questions:

dcdee.subsidy.fraud@dhhs.nc.gov

Resources

Local Child Care Resource and Referral Agency

DCDEE Website

www.ncchildcare.gov

Integrated Eligibility Manual

<https://economicbenefits.nc.gov>