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- 1 NC Department of Health and Human Services
SCCA County Training Base Periods and Verification of Income
- 2 SCCA TA Consultants
- 3 October 27, 2022

2 ☐ **Brought to you by the Division of Child Development & Early Education (DCDEE)**3 ☐ **Welcome**

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.

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4 ☐ **Objectives of the Base Period Training**5 ☐ **Base Periods**

Refer to the IEM 4070.2

6 ☐ **Base Periods**7 ☐ **Base Periods with Representative Income**

- 1 The following base periods should be use for representative income:
- 2 Refer to the IEM 4070.2

8 ☐ **Assessing Income**

- 1 ✓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.

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- 2 SCCA Manual Chapter 7, SCCA Application to Case – Job Aid

9 ☐ **Income Unit Defined**

SCCA Manual Chapter 7

10 ☐ **Calculating Income**11 ☐ **Calculating Monthly Income**

- 1 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

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2 IEM 4070.3 Calculation of Gross Income

12 ☐ **When calculating income with zero pay**

13 ☐ **Base Period with Nonrepresentative Income**

Refer to the IEM 4070.2

14 ☐ **Special Base Periods for Non-Representative Income**

- 2 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

15 ☐ **Non-Representative Income Scenario**

- 1 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).

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16 ☐ **Fluctuating Income Scenario**

- 1 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.

18 ☐ **Base Periods & Recertifications**

19 ☐ **Recertifications**

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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.

2 SCCA Chapter 11

20 ☐ **Document, Document, Document**

Refer to the IEM 4060

21 ☐ **Objectives of the Income Verification**

Refer to the IEM 4050

22 ☐ **10A NCAC 10.1006**

Source: NC OAH [NCAC](#) > [Title 10A - Health and Human Services](#) > Chapter 10 - Subsidized Child Care

23 ☐ **Initial Income Eligibility**

Source: SCCA Administrative Letter #02-14

24 ☐ **Determining Income Eligibility**

Source: SCCA Manual Chapter 7

25 ☐ **Income Verification**

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

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26 ☐ **Sources of Verification**

IEM 4050.1

27 ☐ **Guidelines for Verification of Income**

Source: IEM 4050.2

28 ☐ **Verification Method Hierarchy**

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Source: IEM 4050.3

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Standard Earned Income Types

29 ☐ **Online Verification System (OVS)**

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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

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2 Source:

30 ☐ **ACTIVITY #1 – VERIFY THIS**

2 RA #1

3 RA#2

4 •Works FT

•Third Shift 9p-7a M-TH

•Pays out CS

5 •School PT

•Enrolled in 3 classes 2-4pm M/W/F

•Works PT

•Working Hours 9-1 M-F

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31 ☐ **ACTIVITY #2 – VERIFY THIS**

2 • Works FT

• Work Hours M-F9-5

• Pays out CS

3 • Works FT

• Work Hours M-F 7-4

• Receives CS

• Receives FNS for Biological children

• 7yo has IEP

4 RA #1

5 RA #2

32 ☐ **Documentation of Verifications**

1 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.

2 Source: IEM 4060 Documentation of Verification

33 ☐ **Documentation of verification**

1 The following must be documented:

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- 2 Source: IEM 4060 Documentation of Verification
- 3
 - ✓ 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
- 34 ☐ **Document, Document, Document**
 - 1 Document in the case narrative
 - Office Visits
 - Significant Telephone Calls
 - Place and hours/days of Employment
 - Basis of Developmental Delays
 - Unusual circumstances
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- 35 ☐ **Child Support**
 - 1 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.
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 - 2 SCCA Manual Chapter 7
- 36 ☐ **Types of Child Support**
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 1. Court Ordered
 - 2.
 2. Parental Agreement outside of Court
 - 3.
 3. in-Kind donations
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 - 2 IEM 4030.2
- 37 ☐ **Child Support Received**

- 1 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.

- 2 IEM 4030.2 Unearned Income, SCCA Manual Chapter 7

38 ☐ **Child Support Paid**

- 1 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.

- 2 SCCA Manual Chapter 7

39 ☐ **Verifying Child Support Non-Representative Income**

- 1 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.
- 2 IEM 4070.2 Base Periods

40 ☐ **Contact Information**

- 1 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)

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41 ☐ **Contacts**

- 1 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

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42 ☐ **Resources**

- 1 Local Child Care Resource and Referral Agency

DCDEE Website

www.ncchildcare.gov

Integrated Eligibility Manual

<https://economicbenefits.nc.gov>