

Frequently Asked Questions for Child Care Relief Fund

The Child Care Relief Fund is a grant program (utilizing federal CARES Act funding) that helps child care providers in Michigan cover costs during the COVID-19 state of emergency. The goal of the program is to help child care providers stay in business and make child care more affordable for Michigan families.

Thanks to additional funding, the Child Care Relief Fund is being expanded. The Child Care Relief Fund now includes additional funding for providers to reduce the cost of care for families in June, July, and August of 2020. Providers will report their monthly tuition bills and receive a grant for 30% of those costs. After receiving funding from the state, providers will give families a credit on their next tuition statement for 30% of the tuition the family paid in June. See questions below for more details.

The Michigan Department of Education (MDE) is leading administration of this grant and is working in close collaboration with partners across state government to make it accessible to child care providers statewide. These Frequently Asked Questions (FAQs) have been developed to help answer your questions about available funds.

1. WHAT TYPE OF FUNDING IS BEING OFFERED?

The Child Care Relief Fund awards non-competitive grants to child care providers. All child care providers who apply and meet eligibility requirements will be approved for grant funds. Grants do not have to be repaid.

2. WHO IS ELIGIBLE FOR GRANT FUNDS?

Child care providers, are eligible regardless of whether you are operating/open during the COVID-19 crisis to serve children and families or closed, including:

- Licensed child care centers.
- Family homes and group homes.
- Tribal child care.
- Provisionally licensed (disaster relief child care centers) created under [EO 2020-117](#).
- Head Start and GSRP programs that also provide tuition-based child care (wrap around child care for the program day is not considered tuition-based child care).
- License-exempt child care providers who serve Child Development and Care (CDC) subsidy eligible children are eligible for a **one-time grant payment of \$550**.

Note: Families are not eligible to receive grant funds directly.

3. MY CHILD CARE SITE OPENED AS A RESULT OF EXECUTIVE ORDER 2020-117 (ORIGINALLY EO 2020-16). DOES MY SITE QUALIFY FOR FUNDING?

Yes. All sites that opened to serve children and families as a result of the Executive Order qualify, including provisionally licensed disaster relief child care centers that have temporary provisional licenses and those that are operating in school buildings.

4. I AM A HEAD START AND/OR GSRP PROVIDER. AM I ELIGIBLE?

Maybe. Both Head Start and GSRP programs are continuing to receive GSRP and Head Start funding during the COVID-19 crisis to address program costs and staff costs. If you are only a Head Start and/or GSRP program, and do not also provide tuition-based licensed child care, you are not eligible for funding through the Child Care Relief Fund. Wrap around child care (before and after Head Start or GSRP program hours) does not qualify as tuition-based child care services for the purposes of this grant. If you are not sure whether you qualify, please contact the Child Development and Care Office at the Michigan Department of Education at 866-990-3227, and we can discuss your situation.

5. WHAT IS THE APPLICATION PROCESS?

- Eligible child care programs must complete and submit an online application. Visit www.Michigan.gov/childcare to complete the application.
- Eligible licensed providers, tribal programs, and disaster relief child care centers, **must** register in SIGMA to receive payment.
- Please use care in completing all required elements on the application to avoid processing delays.
- Providers successfully completing an application will receive a confirmation email of receipt.

6. CAN AN AGENCY SUBMIT ONE APPLICATION FOR ALL SITES IF THEY HAVE MORE THAN ONE SITE?

No. Each site (physical location with a child care license number or provisional designation) is considered a different program. Each license number requires an application.

7. HOW MUCH FUNDING AM I ELIGIBLE TO RECEIVE?

Total monthly grant awards will be based on individual child care provider circumstances.

Grant award amounts follow the criteria below. You can use the Grant Calculator to estimate your award. The Grant Calculator is available at www.michigan.gov/childcare.

Criteria	How Grant Amount is Calculated	How the Funds Can Be Used
Provider type	Child care center base amount: \$3,000 per application Family/Group home base amount: \$1,500 per application.	Flexible funds for providers.
Rate reduction NEW	Providers report the total amount of tuition/child care costs billed in June. Once providers receive grant funds, they give a credit to families on their next tuition bill for 30% of the tuition they paid in June.	Funds must be used for tuition credit for families.

Provider size	\$300/month per direct care staff member on your payroll at the time of the emergency declaration (March 10,2020), whether open or closed.	Flexible funds for providers.
Star rating	2 star: +\$500 3 star: +\$800 4 star: +\$1,200 5 star: +\$1,500	Flexible funds for providers.

License exempt subsidized providers are eligible for a **one-time payment** of \$550.

8. WHAT IF I DON'T HAVE A SIGMA VENDOR CODE AND I NEED ONE TO APPLY?

If you need a SIGMA vendor code, please call 888-734-9749 or email the SIGMA Help Desk at SIGMA-Vendor@Michigan.gov. You can also find instructions at www.michigan.gov/childcare.

9. WHAT IF I FORGET MY SIGMA VENDOR CODE OR I NEED A SIGMA MAIL CODE TO RECEIVE A GRANT PAYMENT?

If you have forgotten your SIGMA vendor code, you can look it up by following the instructions at: [How to Find Your SIGMA Vendor Number](#). If you need assistance, please contact the SIGMA Help Desk for assistance. You can reach the Help Desk via e-mail at SIGMA-Vendor@Michigan.gov or 888-734-9749.

Note: License Exempt providers do not need to apply for a SIGMA vendor code.

10. HOW WILL I RECEIVE MY GRANT FUNDS?

After providers apply, they will receive a confirmation email indicating their application has been received. The Michigan Department of Education will then verify eligibility and may contact the provider for clarification of application items. Providers can check the status of their SIGMA payment via SIGMA or check www.michigan.gov/childcare for a weekly posting of payments made.

MDE will be taking reasonable steps to process applications within 15 days of receiving a complete application.

11. WHAT CAN I USE THE FUNDS FOR? ARE THERE ANY RESTRICTIONS?

Grant funds for the provider	Provider type Provider size Star rating
Grant funds for the parent	Rate reduction (tuition credit for family)

Child Care Relief Fund dollars are very flexible and can be used to support a range of expenses related to ongoing operations or reopening a facility. These expenses include, but are not limited to, payroll, mortgages and rent, utilities, insurance, and supplies and equipment (ex: cleaning/sanitation supplies, PPE, thermometers, items to create social distancing in play spaces, new toys and materials that allow

for rotation of items in play spaces, etc.). Funds are also intended to help you provide financial relief to families and make care more accessible and affordable while helping you operate and reopen your business. Funds are not intended to purchase playground equipment or to make renovations in your program/home.

If you are open and receive funding for child care rate reduction, once you receive grant money from the state, you **must** provide a credit to families on their next tuition bill for 30% of the tuition they paid in June.

12. HOW MUCH FUNDING AM I ELIGIBLE TO RECEIVE FOR CHILD CARE RATE REDUCTION TO HELP REDUCE WEEKLY TUITION/CHILD CARE COSTS FOR FAMILIES?

The Governor and Legislature have invested an additional \$125 million to reduce the cost of child care for families. Here's how it works:

- Families pay tuition.
- Providers apply for the Child Care Relief Fund. They report the total amount of tuition billed in June (June 1-June 30).
- Providers receive grant money for 30% of the total June tuition/child care costs they collected from families.
- Once providers receive grant money, they provide a **credit** to families on their next tuition bill for 30% of the tuition they paid in June.

Providers should document the stipend amount returned to each family by providing a receipt of the credit for audit purposes. If the provider does not already have a tracking mechanism to record the amount returned see www.michigan.gov/childcare for a tool.

13. WHAT AM I REQUIRED TO DO TO RECEIVE RATE REDUCTION FUNDING?

To receive this funding, providers must assure:

- When I receive grant money, I will use the funding to credit families for 30% of the tuition/child care costs charged in the month of June. If the Department of Education determines that a provider did not apply the required tuition credit, the MDE shall recoup the funds.
- I assure that the weekly rate charged to families is not higher than the rate charged prior to the state of emergency in March 2020.

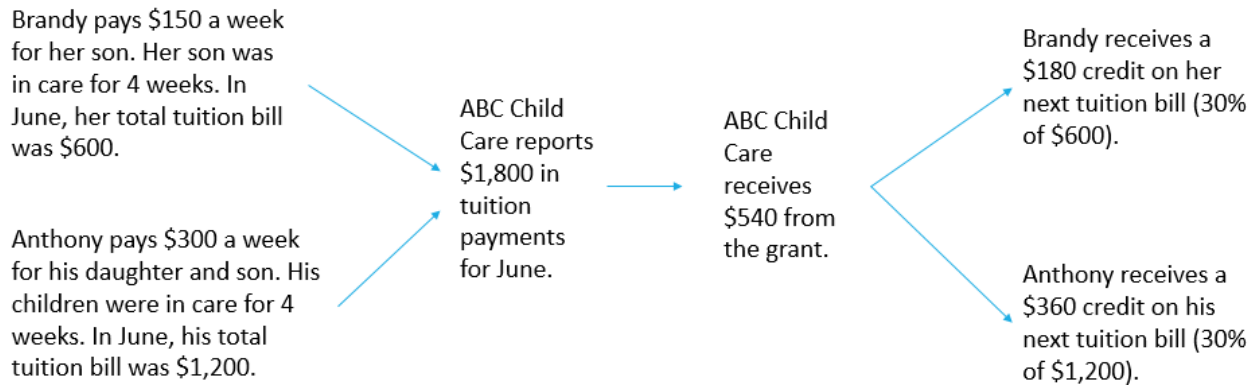
14. WHAT IF MY TUITION RATES/CHILD CARE RATES ARE HIGHER NOW THAN THEY WERE IN MARCH 2020?

To qualify for rate reduction funding, providers must assure that the weekly tuition/child care costs charged to families is not higher than the rate charged prior to the state of emergency in March 2020. Providers should maintain documentation of their current rates and rates in March 2020.

If you have already raised your tuition/child care rates since March 2020, you can choose to adjust rates in future months to qualify for funding. Providers must document and maintain the date they adjusted tuition.

15. WHEN DO I HAVE TO PROVIDE THE CHILD CARE RATE REDUCTION TO THE FAMILY?

Once providers receive grant funds from the state, they must provide a credit to families on their next tuition bill for 30% of the tuition they paid in June.



Visit www.michigan.gov/childcare for suggestions about how to share information about the rate reduction to your families.

16. I OFFER FAMILIES A DISCOUNT IF THEY HAVE MORE THAN ONE CHILD IN MY CARE. HOW DO I REPORT THIS TUITION?

You should report the actual amount of tuition/child care costs charged for each child. For example, if tuition/child care costs is \$200/week for the first child and the family has a second child for which you discount the tuition/child care costs to \$175/week. You would report \$200 and \$175 for each week in June for that family.

17. I SERVE CHILDREN RECEIVING THE CHILD CARE SUBSIDY. HOW SHOULD I REPORT THE TOTAL TUITION/CHILD CARE COSTS CHARGED?

You should report the actual amount of tuition/child care costs charged for each child regardless of who pays that tuition/child care costs.

- If the family has a co-pay, the rate reduction funding must be used to offer a 30 % credit to the family’s bill.
- If the family owes a balance, the rate reduction funding may be used to pay a family’s balance.
- If the amount of the rate reduction stipend is more than the family owes, providers can utilize the additional funds for the operation of their program but must document this and provide to the Department if requested.

18. IF I CHARGE FAMILIES A FEE TO “HOLD” A SPOT CAN I CLAIM THIS AS TUITION?

No. To receive the rate reduction funding, children must be in care.

19. A FAMILY WAS IN MY CARE IN JUNE BUT HAS LEFT. WHAT SHOULD I DO?

We know enrollment changes. If a family disenrolls before you provide their stipend, you must attempt to issue the credit. If a family owes you a balance, you may apply the credit to that balance. If not, you should reimburse the family directly. If you attempt to reimburse a family two or more times, and are not able to, document your attempts. The Department may request this documentation for up to four years. You are not required to return funding to the state.

20. WHAT IF THE FAMILY WANTS TO DONATE THE RATE REDUCTION FUNDING BACK TO THE PROGRAM/PROVIDER?

Families may choose to donate their rate reduction back to the provider. The provider must maintain a written statement from the parent indicating that they are returning the rate reduction stiped to the provider to support the operation of the program.

21. IF I RECEIVE GRANT FUNDING, AM I STILL ELIGIBLE FOR UNEMPLOYMENT INSURANCE?

If your site is closed, you or your staff members may have filed for unemployment insurance. Receiving this grant does not affect your ability to file or receive unemployment insurance. However, how you spend the money may.

If you use the grant to pay wages for you or your staff, this could affect whether you or your staff are eligible to receive unemployment insurance on a weekly basis.

If the wages you pay an individual (including yourself or a staff member) from grant funds are **more than** 1.5 times their weekly benefit amount, they will not be eligible for unemployment insurance benefits that week. This includes state and federal benefits (\$600 a week until July 31). Individuals should still complete their unemployment certification but should select NOT to claim benefits for this week. By doing this, their benefit weeks will not be reduced.

If the wages you pay an individual (including yourself or a staff member) with grant funds are **less than** 1.5 times their weekly benefit amount, their state benefits may be reduced for that week, but they will still be fully eligible for federal benefits (\$600 a week until July 31).

Any of the grant dollars that are going toward wages (and not mortgage, utilities etc.) will need to be reported as income when you or a staff member certify for unemployment insurance benefits.

22. ARE CHILD CARE PROVIDERS ELIGIBLE TO RECEIVE CHILD CARE RELIEF FUND GRANTS IN ADDITION TO OTHER FEDERAL OR STATE PROGRAM FUNDS (E.G., THE PAYMENT PROTECTION PROGRAM FROM THE SMALL BUSINESS ADMINISTRATION)?

We know that there are other grant and loan opportunities available to some child care providers. You may apply for the Child Care Relief Fund grant, in addition to other opportunities.

However, child care providers who receive Child Care Relief Fund grants may not use grant funds for costs that are reimbursed or compensated by other federal or state programs, including the Small Business Administration's Paycheck Protection Program (PPP), the Public Health and Social Services Emergency fund, or unemployment compensation. For example, if you received PPP and you used it to cover staffing costs, you may not use the Child Care Relief Fund grant to also cover the same staffing costs.

On your application you will need to certify that you understand this requirement and will not use the funds for the same expenses. You must keep records indicating the use of each of these funds for 4 years for audit purposes.

23. DO CHILD CARE RELIEF FUND GRANTS NEED TO BE REPORTED AS INCOME?

Child Care Relief Fund grants will be counted as income and 1099s will be issued for payments over \$600. We do not believe the rate reduction grant will increase providers' overall tax liability because the grant is replacing income the provider would have received from parents if the grant were not available.

24. HOW SHOULD I COUNT THE NUMBER OF CHILDREN SERVED IN JUNE?

If you were **open** and serving children in June, you will be asked to report the number of children ages 0-3 and children ages 3 and older who attended your program at any point in June.

Children should only be included if they are counted as part of your child to staff ratio according to child care licensing AND you received tuition to care for them. Do not count your own children unless you pay tuition for their care.

If you were not open and serving children in June, you will not be required to answer this question in the grant application.

25. HOW SHOULD I COUNT HOW MANY DIRECT CARE STAFF ARE ON MY PAYROLL?

On the application, enter the number of direct care staff on your payroll as of March 10, 2020 (before the state of emergency was declared). Our intent is to use this number as a proxy for the size of your program. This guidance applies regardless of whether a provider is open or closed.

Direct care staff includes teachers, assistant teachers, and support staff who directly work with children. You may include full and part time staff.

If you are the owner of a family home or group home, you should count yourself in the staff number reported.

If you are a GSRP or Head Start program offering tuition-based licensed child care and are eligible for funding you should only count staff working in the tuition-based portion of the program.

26. WHAT IF I MAKE A MISTAKE WHEN SUBMITTING MY APPLICATION OR I NEED TO MAKE AN ADJUSTMENT TO MY APPLICATION?

We encourage all providers to read the FAQ fully before submitting the grant. Please also review your application to confirm all information is correct before clicking the submit button. Multiple application submissions will delay your payment processing. Please only submit one application. If you believe you have made an error, call the CDC Office 866-990-3227 to discuss your application and determine next steps.

27. AM I REQUIRED TO SUBMIT SUPPORTING DOCUMENTATION OR RECORDS FOR THE GRANT?

No. You are not required to submit supporting documentation with the online application.

However, you are required to maintain records that support your grant application and use of funds for four years in the event the records are requested for an audit or other purposes.

For the Child Care Rate Reduction Stipend you are encouraged to use the tool created and posted at www.michigan.gov/childcare to document child care tuition costs and reimbursement amounts provided to families in your care.

28. WHAT IS THE DEADLINE FOR SUBMITTING AN APPLICATION?

The June grant application (June 1 – June 30) will be available on July 13 through August 13. No June application changes will be accepted after August 13.

29. FOR MORE INFORMATION, PLEASE CONTACT:

The Michigan Department of Education will be processing applications as quickly as possible. If you have questions about your application, please contact the Child Development and Care Office at the Michigan Department of Education at 866-990-3227 or your Regional Resource Center 877-614-7328.