Updated October 30, 2020

Frequently Asked Questions (FAQ) for Child Care Relief Fund Grants

This FAQ applies to Round 6 (September) Child Care Relief Fund grants.

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. In Round 6, child care providers are eligible to receive at least $9,000 in operational funds as well as funding for tuition credits for families.

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

Stuck? We're here to help.
The Michigan Department of Education will be processing applications as quickly as possible. Incomplete or duplicate applications will delay your processing time. If you have questions about your application, please contact the Child Development and Care Office at MDE at 866-990-3227 or your resource center at 877-614-7328.

ROUND 6 SUMMARY

1. WHAT TYPE OF FUNDING IS BEING OFFERED?

Michigan Public Act 166 of 2020 was signed September 30, 2020 to provide federal financial assistance to child care providers. Round 6 of the child care relief fund awards over $60 million in coronavirus relief fund (CRF) funding to child care providers for operational support and tuition relief for families. In this round, all awards are funded by the coronavirus relief fund (CFDA 21.019).

These funds are awarded on a first come, first serve basis. Incomplete or duplicate applications will not be considered for funding until all information is provided. A complete application does not guarantee funding. Grants do not have to be repaid.

2. HOW MUCH FUNDING AM I ELIGIBLE TO RECEIVE?

In Round 6, child care providers are eligible to receive at least $9,000 in operational funds as well as funding for tuition credits for families.

Grant award amounts follow the criteria below. You can use the Grant Calculator to estimate your award.

Criteria	How Grant Amount is Calculated	How the Funds Can Be Used
Provider type	Open child care center base amount: $10,000 per application Open family/group home base amount: $8,000 per application	Flexible funds for providers.
Licensed capacity	1-6 children $1,200 7-12 children $2,400 13-25 children $5,000 26-50 children $10,000 51-75 children $15,000 76-100 children $20,000 100+ children $26,000	Flexible funds for providers.
Star rating	1 or 2 star provider: $500 bonus 3, 4, or 5 star provider: $1,500 bonus	Flexible funds for providers.
Tuition credit	Providers report the total number of children served in September. Once providers receive grant funds, they give a credit to families on their next tuition bill for $200 per child.	Funds must be used for tuition credit for families.

ELIGIBILITY

3. WHO IS ELIGIBLE FOR GRANT FUNDS?

Child care providers that are **open and serving families**, including:

- Licensed child care centers
- Family homes and group homes
- Tribal-based child care
- Head Start and Great Start Readiness Program (GSRP) programs that also provide tuition-based child care (wrap-around child care for the program day is not considered tuition-based child care)

Providers are required to confirm that since March 2020 their facilities have **experienced business interruption** due to COVID-19. Eligible business interruptions include temporary closure, shortened hours, lower enrollment, and discounting tuition. If providers have previously received funding from the Paycheck Protection Program (PPP) or Emergency Injury Disaster Loans (EIDL), they will be required to provide additional information to confirm federal funds are not used for the same expenses and that they were negatively affected beyond the scope of the PPP or EDIL.

License exempt child care providers are no longer eligible.

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

Maybe. Both Head Start and GSRP programs received GSRP and Head Start funding during the COVID-19 crisis to address program costs and staff costs to finish the FY 2020

program year. If you only provide a Head Start and/or GSRP program, you are not eligible for 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, to discuss your situation.

5. WHAT IF MY TUITION RATES ARE HIGHER NOW THAN THEY WERE IN MARCH 2020?

You are eligible for this round of funding. This requirement was removed from the legislation authorizing this funding, and providers are no longer required to have the same tuition as March 2020 to qualify for funding.

APPLICATION PROCESS

6. 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. Providers should be prepared to provide their license number and SIGMA vendor code and mail code to apply.
- Eligible providers must register in SIGMA to receive payment. Visit www.Michigan.gov/SIGMAVSS for information about registering 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.

7. WHAT IS THE DEADLINE FOR SUBMITTING AN APPLICATION?

- The Round 6 grant application will be available until November 13.
- Funds will be awarded on a first come, first serve basis until all available funding is awarded. Incomplete or duplicate applications will not be considered for funding until all information is provided. A complete application does not guarantee funding.
- Application changes will not be accepted after the application window closes.
- Applications will not be accepted after the application window closes.

8. 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 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 at 866-990-3227 to discuss your application and determine next steps.

9. 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.

10. 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 five years in the event that the records are requested for an audit or other purposes.

For tuition credits, you are encouraged to use the tool created and posted at http://www.michigan.gov/childcare for documentation of costs and reimbursement amounts provided to families in your care.

SIGMA

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

If you need a SIGMA vendor code, you can register at www.Michigan.gov/SIGMAVSS. You can also find instructions at www.michigan.gov/childcare. If you need assistance, please call 517-284-0540 or email the SIGMA Help Desk at SIGMA-Vendor@Michigan.gov.

12. 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 or SIGMA Address ID, 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 517-284-0540.
Note: License exempt providers do not need to apply for a SIGMA vendor code.

REPORTING CHILD COUNTS FOR THE TUITION CREDIT

13. HOW SHOULD I COUNT THE NUMBER OF CHILDREN IN CARE WHEN I ANSWER QUESTIONS TO RECEIVE THE TUITION CREDIT?

If you were open and had children in care in September, you will be asked to report the number of children ages 0-2 and children ages 3 and older who attended your program at least one day between September 1-30.

Please count children whose families were charged tuition or a co-pay (not paid for by another state or federal program).

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. Please do not count your own children unless you pay tuition for their care.

14. ARE FAMILIES WHO RECEIVE THE SUBSIDY ELIGIBLE TO RECEIVE A $200 TUITION CREDIT?

Maybe. If you care for a child receiving child care subsidy and the family has a co-pay (not paid for by another state or federal program), you can include them. Please do not include

children whose families are not directly charged tuition or a co-pay for care.

15. IF I CHARGE FAMILIES A FEE TO "HOLD" A SPOT, CAN I COUNT THEIR CHILDREN AS IN MY CARE IN SEPTEMBER?

No. To receive the tuition credit, children must be in care.

PAYMENTS

16. 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 complete applications within 15 days of receiving a completed application.

ACCEPTABLE USES OF FUNDS

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

Tuition credits: Once providers receive grant money from the state, you must provide a $200 credit to children who were in care in September.

Providers should explain to families that these funds are intended to provide economic support to families due to COVID-19 public health emergency.

Allowable Operational Expenses

In Round 6, child care providers are eligible to receive funding to provide economic support and cover operational expenses incurred as a result of the business interruption due to COVID-19 public health emergency. Providers may use these funds at their own discretion to keep their business operational. Funds are provided based on an allocation formula for each provider.

While providers have flexibility to spend funds on their unique needs, funds cannot be used on expenses that were previously paid for by federal funds. If you received other federal support between March and December 2020, you cannot use these grant dollars on the same expenses. For example, if you received a personal paycheck protection (PPP) loan, economic injury disaster loan (EIDL) or child care subsidy, be sure to document that these grant funds paid for different expenses. This includes funds from Rounds 1-5 of the Child Care Relief Fund.

18. WHEN DO I NEED TO SPEND THESE OPERATIONAL GRANT FUNDS?

Round 6 is funded through the federal Coronavirus Relief Fund. These funds are being awarded as economic support to providers that have experienced business interruption due to COVID-19. States must use these dollars no later than December 30, 2020. The state is

meeting this requirement by providing funding to providers before this date as economic support for business interruptions due to COVID-19 public health emergency, expenses that are already considered to have been incurred.

19. WHEN DO I HAVE TO PROVIDE THE TUITION CREDIT TO THE FAMILY?

Once providers receive grant funds from the state, they must provide a $200 credit to families on their next tuition bill.

20. A FAMILY WAS IN MY CARE BUT HAS LEFT. WHAT SHOULD I DO WITH THEIR TUTION CREDIT?

We know that enrollment changes. If a family disenrolls before you provide its credit, 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 for previous tuition paid. If you attempt to reimburse a family two or more times, and are not able to do so, document your attempts. The department may request this documentation for up to five years after final payment is made. You are not required to return funding to the state.

21. WHAT IF THE FAMILY WANTS TO DONATE THEIR TUITION CREDIT BACK TO THE PROGRAM/PROVIDER?

The tuition credit funding must be credited to the family as required and supported by documentation to ensure program requirements are met. If the family is interested in making a donation to the program/provider, it is able to do so as a separate transaction.

POTENTIAL IMPACT OF RECEIVING FUNDS

22. IF I RECEIVE GRANT FUNDING, AM I STILL ELIGIBLE FOR UNEMPLOYMENT

23. INSURANCE?

Weekly unemployment insurance eligibility may be affected if the grant funds were used to pay wages for you or your staff. Any of the grant dollars that are going toward wages (and not tuition credits or processing fees, for example) will need to be reported as income when you or a staff member certify for unemployment insurance benefits.

- 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. Individuals should still complete their unemployment certification but should select NOT to claim benefits for this week. By doing so, 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 any available federal benefits.

For the tuition rate reduction funds, since these funds are passed entirely on to the families, the funds would have no effect on unemployment eligibility.

24. ARE CHILD CARE PROVIDERS ELIGIBLE TO RECEIVE CHILD CARE RELIEF FUND GRANTS IN ADDITION TO OTHER FEDERAL OR STATE PROGRAM FUNDS (E.G., THE PAYCHECK PROTECTION PROGRAM FROM THE SMALL BUSINESS ADMINISTRATION OR AN ECONOMIC INJURY DISASTER LOAN)?

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 child care subsidy (funded by child care development block grant), Small Business Administration's paycheck protection program, the economic injury disaster loan, 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 also use the child care relief fund grant to cover the same staffing costs.

On your application, you will need to:

- Confirm whether or not you received PPP or EIDL funds. Providers who did receive these funds will need to provide a description of how you will use the new Round 6 child care relief fund grants.
- Certify that you understand this requirement and will not use the funds for the same expenses.
- Agree to keep records indicating the use of each of these funds for five years for audit purposes.

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

Yes. 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 a provider's overall tax liability because the grant is replacing income that the provider would have received from parents if the grant were not available.

FUND SOURCE

26. WHAT FUNDS WERE USED TO CREATE ROUND 6 OF THE CHILD CARE RELIEF FUND?

As part of the nation's COVID-19 response, Michigan was awarded funding from the U.S. Department of Treasury. The state is required to notify anyone who receives child care grants (1) the source of the funds and (2) the possibility that recipients may be monitored to ensure funds were used properly.

Funds were awarded to the state of Michigan as federal financial assistance from the U.S. Department of Treasury. The funds were awarded under the Social Security Act, as amended by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) https://home.treasury.gov/policy-issues/cares/state-and-local-governments as the coronavirus relief fund, which was signed on March 27, 2020. Michigan was awarded $3.08 billion under the coronavirus relief fund.

CFDA #: 21.019

FAIN #: SLT0040

Coronavirus relief funds are considered federal financial assistance and have been assigned a Catalog of Federal Domestic Assistance (CFDA) or Assistance Listing Number of 21.019. Fund payments are considered to be federal financial assistance subject to the Single Audit Act (31 U.S.C. Sections 7501 – 7507) and the related provisions of the Uniform Guidance, 2 Code of Federal Regulations (CFR) Section 200.303 regarding internal controls, Section 200.330 – 200.332 regarding subrecipient monitoring and management, and subpart F regarding audit requirements. Under the Single Audit Act, subrecipients will need to report expenditures under this program using the CFDA number 21.019. A non-federal entity that expends $750,000 or more during the non-federal entity's fiscal year in federal awards must have a single or program-specific audit conducted for that year in accordance with the provisions of this part.

Any funds received under the authorizing legislation for this program expended by the eligible applicant in a manner that does not adhere to the Coronavirus Aid, Relief, and Economic Security Act, Public Law 116-136 or Uniform Guidance 2 CFR 200, as applicable, shall be returned to the state.

Uniform Guidance for CRF Use of Funds:
The CARES Act requires that the payments from the coronavirus relief fund only be used to cover expenditures that:

1. are necessary expenditures incurred due to the public health emergency with respect to coronavirus disease (COVID-19);
2. were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the state or government; and
3. were incurred during the period that begins on March 1, 2020 and ends on December 30, 2020.

This grant award is not for research and development. Indirect costs are not allowed under this program.