



Updated May 5, 2020

## **Child Care Operations Grant Frequently Asked Questions for Providers**

### **What is the Child Care Operations Grant?**

The Child Care Operations Grant provides funding to licensed child care providers that remain open and operating during the COVID-19 pandemic. The funding allows programs to meet expenses authorized under the Coronavirus Aid, Relief and Economic Security Act (CARES Act), which includes rent, utilities, supplies and payroll, as well as additional health and safety requirements imposed during the pandemic.

### **Which child care programs are eligible for this grant?**

The grant is open to licensed-center child care programs and licensed-family child care programs that are open, operating and caring for children on a daily basis. In addition, licensed programs must meet the following additional requirements:

1. Operate with a license in good standing by the Department of Health's Child Care Licensing program.
2. Comply with the [Emergency Conditions for Child Care Order](#) issued on March 25, 2020, by the Child Care Licensing program.
3. Not operate under an Emergency Child Care License in the One Utah Child Care system.

### **How do I apply for funds through the Child Care Operations Grant?**

Eligible child care programs are required to complete and submit the [Child Care Operations Grant Payment Agreement](#), including required documentation. Programs need to complete the application, including the address to which the payment will be mailed. The submitted agreement will be reviewed and a final amount will be awarded by the Utah Office of Child Care.

### **Do I need to have liability insurance to apply for this grant?**

Liability insurance is required for all providers, as stated in the Payment Agreement Terms and Conditions. The amount required has been adjusted for family child care providers and is based on the size of the business.

**Is there a deadline for submitting the Operations Grant Payment Agreement?**

There is no deadline for submitting the agreement. However, new applications will not be accepted after the Department of Workforce Services determines that the COVID-19 pandemic no longer limits child care programs from regular business operations. Programs will only receive funding beginning the month in which the application is submitted.

**How will the amount of my Operations Grant be calculated?**

The grant will be up to as much as 75% of the difference between the one-month average of your January 2020 and February 2020 monthly tuition income, and all Workforce Services-issued or obligated\* child care subsidy payments on the date the funding amount is calculated by the Utah Office of Child Care.

*\*Note: Any compensation to programs participating in the One Utah Child Care system will also be deducted from the balance.*

Programs will be required to submit bank statements and similar documentation from financial institutions, validating the tuition amounts received in January and February. Programs will also provide the subsidy amounts and One Utah Child Care payments issued by Workforce Services in the month of application. The department will calculate the final payment amount.

Each month, the program will be required to complete and submit a form provided by Workforce Services demonstrating that the funds were utilized on appropriate expenses. These expenses will need to be supported with documentation that will be subject to audit by Workforce Services. In subsequent months, the amount of the initial award may change based on the form submitted detailing the expenses.

**What can be included when claiming gross tuition income?**

Gross tuition income includes fees collected for purposes of providing direct child care services only. It does not include other fees your program may impose on families, such as registration fees, late fees, credit card fees or fees for extracurricular activities.

## **What types of documentation is required to validate the January and February 2020 tuition deposits?**

Child care programs must include in their request for funds bank statements or documentation from similar types of financial institutions demonstrating tuition deposits made in January and February 2020. Ledgers from bookkeeping or attendance software are not sufficient without documentation demonstrating the deposits were made. However, programs may consider submitting these ledgers with documentation from their financial institutions. This will allow the Office of Child Care to process payment agreements faster.

## **How will I be paid?**

Upon approval, Workforce Services will send your program a check each month with the approved amount of funds. Each month in which this funding is available, programs will be required to complete and submit a form provided by Workforce Services demonstrating that the funds were used on expenses authorized under the CARES Act prior to the release of funding in subsequent months. Workforce Services may request additional documentation supporting those expenses. Programs will be paid monthly and checks will be mailed to the business address provided in the agreement.

## **Is the grant considered income, and will I have to claim it as such when filing my taxes?**

Yes, grant funding is considered income and must be claimed as such when filing taxes. Workforce Services will send you an IRS 1099 form for Tax Year 2020.

## **I do not need these funds to operate my program because I have not lost significant enrollment. Can I make a profit from the Operations Grant Funds?**

No, you may not make a profit from the receipt of grant funds. The grant funds are intended to support child care providers to meet their operating expenses at a time when programs have lost significant enrollment statewide. The funds may only be used on CARES Act allowable expenses. These expenses must be supported with documentation and are subject to audit by Workforce Services. Programs that have not lost significant enrollment and do not need these grant funds should not apply.

## **How many months will I receive payment through the Operations Grant?**

Payments will be issued monthly to programs that remain open and operating, and will continue until Workforce Services determines the COVID-19 pandemic no longer limits child care programs from regular business operations.

**Do I need to submit a new Child Care Operations Grant Payment Agreement each month to receive a payment?**

No. The Child Care Operations Grant Payment Agreement only needs to be submitted once for approval. In order to receive payments in future months you must submit a form, provided by the Office of Child Care with your grant award letter, reporting on expenses paid with the grant funds. The Office of Child Care will not issue subsequent payments until that form is submitted.

If your original application was denied, you must submit a new Payment Agreement and accompanying documentation for review and approval.

**What expenses should I report on the form provided by the Office of Child Care in order to receive future Child Care Operations Grant payments?**

The only expenses that should be reported on the Child Care Operations Grant expenses form, which was sent with your program's award letter, are expenses allowable through the Coronavirus Aid, Relief and Economic Stability Act (CARES Act). Those expenses are outlined in the [Child Care Operations Grant overview](#).

Family child care providers should consult with their tax advisor or accountant to ensure the expenses reported with this grant align with the business expenses reported on annual tax returns.

**As a result of decreased enrollment, I laid off several caregivers who filed for unemployment insurance. Does this funding impact my employees who are currently receiving unemployment benefits?**

The Unemployment Insurance Division has extensive information and resources available to help you and your employees answer questions regarding unemployment benefits. Please read the Unemployment Insurance information at [jobs.utah.gov/covid19](http://jobs.utah.gov/covid19).

**If my program is temporarily closed but I am planning to reopen, will I be able to apply for this grant?**

Any program that is currently closed is not eligible for grant funds. Should the program reopen during the grant period, you may apply after you contact Child Care Licensing and ask them to change your program's status from temporarily closed to open. Additionally, your program will need to be actively employing staff and caring for children on a daily basis during the regular business hours under which you operated previously. The grant amount may be adjusted based on the day of the month in which

you reopened, when staff began working and when children started attending the program.

**What if I temporarily close my child care program after receiving an Operations Grant payment?**

Child care programs receiving Operations Grant funding are required to notify the Office of Child Care by emailing [occ@utah.gov](mailto:occ@utah.gov) if they temporarily close their programs during the COVID-19 pandemic. Temporarily closed programs will not be issued subsequent grant funds. Programs that decide to temporarily close after receiving an Operations Grant payment and fail to notify the Office of Child Care will be issued an overpayment by Workforce Services that will be recouped in accordance with Utah Administrative Code R986-700-731.1 (see [Utah State Bulletin, April 1, 2020, Vol. 2020](#), No. 7, page 45).

**If I have additional questions, who can I contact?**

Please email the Office of Child Care at [occ@utah.gov](mailto:occ@utah.gov).