



Updated April 2023

Office of Child Care Stabilization Grants Frequently Asked Questions

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GENERAL

What is the purpose of the Stabilization Grants?

The Office of Child Care's Stabilization Grants are intended for providers facing financial burdens due to the COVID-19 pandemic. The funds will assist in stabilizing the child care sector, and supporting the needs of children, parents and the child care workforce.

How can the funds be used?

Eligible child care providers may use the funds on key operating expenses including:

- Personnel costs
- Rent or mortgage
- Utilities, maintenance or insurance
- Supplies
- Services necessary to maintain child care services
- Mental health services

See "Allowable Expenses" for limitations on the use of funds in categories listed above.

How much funding is available?

The Office of Child Care will be releasing approximately \$250 million in funds to eligible providers through Stabilization Grants. Grant amounts will be based on the license capacity of providers.

How will grant amounts be calculated?

The base rate of \$350 per child will be multiplied by the license capacity to determine the monthly grant amount.

per child rate of \$350 x license capacity = grant base rate

If a program is open less than 21 hours per week, their base rate will be reduced by 50%. The minimum payment will be based upon a licensed capacity of 8.

Is there additional funding available?

There will be an enhancement available of \$50 per licensed capacity slot to providers that pay or will pay, upon receipt of the Stabilization Grant, a minimum of \$15 per hour for over half of their staff.

per child rate of \$400 x license capacity = enhancement rate

When does the Stabilization Grant funding end?

The final Stabilization Grant payment is expected to be issued in June 2024. However, this date may change due to funding availability for which programs will be notified in advance.

Can I expect to receive the same monthly grant amount until June 2024?

No. Child Care Stabilization Grant (CCSG) and Coronavirus Response and Relief Supplemental Act (CRRSA) funding is projected to end spring 2023. The program funding stream will transition to American Rescue Plan Act Discretionary (ARPA) funds in order to support providers until June 2024. The new monthly grant amount will be reduced starting October 1, 2023.

When will I be notified of the new monthly grant amount that is effective October 1, 2023?

The new monthly grant amount and policy is in process and under review. Communication will be sent to providers once the new payment plan is finalized and approved. We encourage providers to update and implement the program's sustainability plan.

Am I required to agree to the reimbursement acknowledgement?

Yes. As of October 1, 2022 programs are required to agree to an acknowledgement notice regarding reimbursements.

Why am I being required to agree to the reimbursement acknowledgement?

This clarifies an expectation that programs cannot request reimbursement on any other publicly funded grant for the same expenditures they are reporting for the Stabilization Grant. Examples could include but not be limited to the following:

- Example 1: If you claimed food expenses with the Stabilization Grant, you cannot seek reimbursement for those same food expenses from another grant, such as the Child and Adult Care Food Program (CACFP).
- Example 2: You purchased materials for your afterschool program and received reimbursement from an out-of-school time grant that you receive. You cannot also claim those as expenses for the Stabilization Grant.

How much time do I have to agree to the reimbursement acknowledgement?

You have until the end of the day Wednesday, November 16, 2022 to agree to the reimbursement acknowledgement.

What happens if I don't agree to the reimbursement acknowledgement by the end of day Wednesday, November 16, 2022?

Failure to agree to the reimbursement acknowledgement will result in a Stabilization Grant payment suspension and may result in a grant closure.

What if I can't find the acknowledgement or am having technical difficulties?

You must email occstabilization@utah.gov detailing the issue so that assistance can be provided. Exceptions to the deadline will not be made. It is your responsibility to report any issues prior to November 16.

What is considered full-time or part-time for staff work time and hours that children are enrolled?

Full-time and part-time hour designations are the same for staff work time and hours that children are enrolled:

- Full-time: 21 hours or more per week
- Part-time: 20 hours or less per week

How do I change the email correspondence for this grant so I receive updates?

Contact your licensing consultant to update agency contact information in our licensing system. Note that the correspondence will be sent to the email address listed in Child Care Licensing and Care About Childcare.

We are currently operating at reduced capacity due to COVID-19. Is this considered our current capacity or is the grant award based on licensed capacity?

The calculation of grant award amount is based upon licensed capacity, with the intent that these funds will help agencies return to full operation levels.

If my program is determined eligible but then my license is in the revocation process is my program still eligible?

Your program is no longer eligible because your program is no longer in good standing during the revocation process.

Are providers required to provide tuition or copayment relief to families if they accept Child Care Stabilization Base Grant funds?

No. Programs are encouraged but not required to offer tuition relief to families. As a condition of this grant, you must certify that you will provide relief from copayments and tuition payments for families enrolled in your program, to the extent possible, and prioritize such relief for families struggling to make either type of payment. To meet this obligation, you should consider whether you are able to provide tuition relief to families with **other resources**. Copayments, out of pocket expenses, tuition or scholarship are not allowable expenses under the Stabilization Grant.

Are all program staff required to be vaccinated against COVID-19 to get Stabilization Grant funds?

All program staff are required to follow local, state and federal public health requirements in the fight against COVID-19. However, receipt of a Stabilization Grant does not count as a federal government contractor which would require vaccination.

How do I request a review of a decision made on my application when I disagree?

1. You can request a *Program Review*. A Program Review is completed by the Stabilization Grant Program Manager or designee and reviews the decision made by the Stabilization Grant team or audit review findings.
2. Email, occstabilization@utah.gov, a statement requesting a review within 14 calendar days of the date of the email notice of decision from the Department including:
 - a. Owner name
 - b. Child care program name
 - c. Stabilization Grant application ID

- d. Reason for the review request
- e. Supporting documentation and evidence to support the request.
3. The Stabilization Grant Program will review the request within 14 days of receiving the information listed above.
4. If additional information is required, you will receive an email request and be given a timeframe of when documents are due.

How do I request a review of the Program Review decision made on my application when I disagree?

1. If you disagree with the Program Review decision, you can request a *Division Review*. A Division review is completed by the OCC Director or designees and reviews the decision made by the Stabilization Grant team or audit review findings.
2. Email occstabilization@utah.gov a statement requesting a review within 14 calendar days of the date of the email Program Review decision notice from the Department. Information to submit with review request must include:
 - a. Owner name
 - b. Child care program name
 - c. Stabilization Grant application ID
 - d. Reason for the review request
 - e. Supporting documentation and evidence to support the request.
3. The Office of Child Care will review the request within 14 days of receiving the information listed above.
4. If additional information is required, you will receive an email request and be given a timeframe of when documents are due.

How do I request a review of the Division Review decision made on my application when I disagree?

When the Division Review is complete, you will receive an email notice detailing the decision and also be notified of your *Department Review* rights and be provided instructions and timelines for how to request a *Department Review*. A Department Review is completed by the Adjudications Division on behalf of the Executive Director's Office.

Who can I contact with questions?

Questions can be sent to occstabilization@utah.gov.

QUALIFIED PROVIDERS

Who is eligible to receive a Stabilization Grant?

Providers are required to have been licensed no later than March 11, 2021*, and meet state and local health and safety requirements at the time of application, being open and serving children during the grant period. Applicable providers include:

- Child Care Center
- Child Care Licensed Family
- DWS Approved, Exempt Center
- DWS Approved, Exempt School Age Program
- Child Care Residential Certificate
- Child Care Out of School Time Program
- Child Care Commercial Preschool (effective May 1, 2022)

*Effective May 1, 2022, programs licensed *after* March 11, 2021, could be eligible for the Stabilization Grant.

*Effective July 31, 2022, applications are no longer accepted.

When do providers have to be open in order to be eligible to receive grants?

To be eligible to receive these funds, providers must be operating and serving children at the time of application and must continue to serve children during the entire grant period.

Exceptions may be considered for the following:

- The program is temporarily closed for up to two weeks due to COVID-19 “close contact” exposure.
- The program is temporarily closed for up to two weeks due to a public health order issued by the Utah Department of Health and/or the provider’s local public health agency.
- The program is temporarily closed up to two weeks due to the primary care provider experiencing extenuating circumstances.
- The program has an existing approved grant application; the program is open and operates during the school year only and is closed for the summer.
- Please notify the Department of any temporary closures by emailing OCCStabilization@utah.gov.

Why aren’t new programs eligible?

The ARPA (American Rescue Plan Act) federal legislation requires that to be eligible a child care provider must be licensed, regulated or registered in the state as of the date the ARPA was enacted, which was March 11, 2021*.

*Effective May 1, 2022, programs licensed, regulated *after* March 11, 2021, could be eligible for the Stabilization Grant.

*Effective July 31, 2022, applications are no longer accepted.

If I purchase a child care program, will their Stabilization Grant funding transfer to me?

No, a change in ownership would require a new application. The application period closed July 31, 2022

If I sell my program, what happens to my Stabilization Grant funding?

If a child care program is sold to a new owner, all grant payments will cease upon the change of ownership notification. The previous owner will still need to provide verification of use of grant funds up to the point the business is sold and may be subject to repayment of funds.

CLOSURE

What if I am temporarily closed due to COVID-19? Can I still apply?

Providers who are temporarily closed for up to two weeks (per occurrence) due to COVID-19 may apply for the Child Care Stabilization Grant. Reasons could include:

- Temporary closure due to public health guidance issued by the Utah Department of Health and/or the provider’s local public health agency;
- The program temporarily closed days due to the license holder and/or primary care provider having a positive COVID-19 test result or “close contact” exposure.

*Effective July 31, 2022, applications are no longer accepted.

What is the definition of temporarily closed due to a public health emergency, financial hardship or other reason related to COVID-19?

Temporary closures should be brief in nature, no longer than 14 calendar days, no longer than 14 calendar days. A facility may have to close to allow cleaning and sanitation time due to an exposure to COVID-19.

My program is not currently serving children due to a quarantine order from our local health department. Am I considered closed?

If your program is generally open and operational, but is not serving children at the time you apply due to a quarantine order, you are considered “open” for the purposes of the grant program as long as the anticipated period of closure is no more than two weeks.

My program is temporarily closed or does not care for children during the summer. Does the Stabilization Grant funding end?

- If your program has a current approved grant application and your program temporarily closes for the summer and does not care for children, you may continue to receive Stabilization Grant payments for administrative expenses within allowable categories. Examples may include:
 - Professional development and training for staff
 - Mental health support for staff
 - Facility maintenance and improvements
 - Rent, utilities and insurance
 - Goods and services
- If your program will be closed for the summer month(s) and you will not have expenses in the allowable categories you must notify of your program closure by emailing occstabilization@utah.gov the expected date of closure so that payments can be suspended for the month(s).
- Failure to notify the Office of Child Care in a timely manner will result in overpayment and recoupment of payment.

My program is permanently closed and I am not planning to reopen. Am I eligible to receive the Stabilization Grant funding?

Any program that has closed permanently - meaning their license or approval to operate has been withdrawn - is not eligible to receive grant funding.

If I decide to close permanently, do I need to give the money back?

Programs that permanently close are expected to notify occstabilization@utah.gov prior to their date of closure. Funds received prior to the date of closure may be used for approved expenses, including making outstanding rent, mortgage, utility, and/or insurance payments or severance payments to staff. Any funds received after the date of permanent closure will need to be returned to the Department of Workforce Services.

PAYROLL

What is payroll documentation?

- Sole proprietors should provide a copy of their Schedule C tax document to verify their tax filing status.

- Licensed Family child care providers should include the total amount you pay yourself, if allowed. Examples of documents needed for reporting of salaries for licensed family child care providers:
 - Provide a document showing your calculation for your monthly salaries as follows, including hours worked per pay period or week and hourly wage.
 - Venmo records with verification of hours worked
 - Canceled checks with verification of hours worked
 - Timesheets, log in/out logs, invoices signed by both employer and employee
- Child Care Center or large businesses. Examples of documents needed for reporting of salaries for child care centers for showing hours worked, hourly wage, gross pay for each individual associated with your program in Child Care Licensing
 - Payroll records including the following information:
 - Employee name;
 - Hours worked;
 - Gross pay and net pay;
 - Pay date;
 - Pay period.
 - Venmo records with verification of hours worked
 - Canceled checks with verification of hours worked

Do I have to report all employees individually or can I report the entire group?

Documentation must be provided for staff individually.

Are sole proprietorships (meaning the business not individual) without employees eligible for the enhanced base rate option?

No. According to tax rules, sole proprietors are considered self-employed and are not employees of the sole proprietorship. They cannot pay themselves wages, cannot have income tax, social security tax, or Medicare tax withheld, and cannot receive a W-2 from the sole proprietorship. Therefore we are not able to verify the enhanced base rate criteria of paying 51% of your staff \$15 per hour.

Can minors be counted as staff for the enhanced grant payment?

Effective March 1, 2023 Minors must be age 14 or older and designated with an “Other” (E) role or age 16 or older and designated with an “Other” (E) role or a “Caregiver” (C) role in CCL to be counted toward the 51% requirement.

I am an owner/director, but am not on the payroll. Am I eligible to receive the enhanced payment?

The enhanced payment is intended to support increased wages for full-time or part-time staff members. A Licensed Family Provider who is an active employee and who is directly providing care or oversight of daily operations could be eligible depending on federal tax classification. A Director/Owner who is engaged in the day to day operations of the agency or who is considered a full-time or part-time employee of the agency would be included in determining if the program meets the criteria for the enhanced payment.

Are sole proprietorships (meaning the business not individual) with employees eligible for the enhanced base rate option?

Yes. However, the sole proprietor (meaning the individual, not the business) should be excluded from the enhanced rate calculation.

Do I have to pay all of my staff a minimum of \$15 per hour?

To continue to receive the enhanced payment rate of \$400 per licensed capacity slot, you are required to pay 51% of your staff listed on Child Care Licensing a minimum of \$15 per hour. This could include but is not limited to contractors, temporary staff, full-time, part-time and any employees who receive a wage.

Restrictions: Personnel costs to pay staff not listed on CCL, minor under the age of 14, volunteers, household members or board members is not an allowable expense for the Stabilization Grant funds.

What if I did not meet the requirement of paying 51% of my staff a minimum wage of \$15 per hour within 60 days of the first enhanced grant payment?

When you opted in for the enhanced grant rate at time of application, you have 60 days from the first grant enhanced payment to verify paying 51% of your staff a minimum wage of \$15 per hour or higher. If there is indication that you failed to meet the enhanced grant requirements, you will be required to return the enhanced grant portion already made and/or referral to DWS Internal Audit for additional action.

PAYMENT AND FUNDING

What if my check is lost, stolen or damaged?

Provide details in an email to occstabilization@utah.gov.

How long will it take to receive my grant funding after being approved for payment?

Stabilization Grant funds for newly approved grants will be issued as a check mailed out the Wednesday after the application has been approved. You should receive the check within 10 business days, depending on mail schedules.

Ongoing monthly payments will be mailed the first Wednesday of each month. Please allow up to ten (10) business days, depending on mail schedules.

Will the funding be issued in one or multiple payments?

Programs will receive fixed monthly payments. The number of monthly payments will vary, depending on when a program submits their application and the months of the year that the program is open and serving children.

Are the payments taxable?

All program payments are taxable income. For further questions on how these funds impact your tax situation, please consult with a CPA or tax expert.

Will I receive a Form 1099?

Yes.

How will I report this on my taxes?

Your child care facility will receive a Form 1099-NEC that would assist in the tax filing process.

Can I get these funds and subsidy payments at the same time?

Yes. Providers may receive subsidy payments during the grant period.

How long do I have to spend the grant funding?

This funding is critical in assisting with stabilizing child care and assisting families. Stabilization Grant payment must be spent within 60 days of the date of payment issued for the given month. For example, first payment issued 9/16/22, funds must be spent by 11/15/22 on costs incurred from 12/1/21 - 11/15/22.

- Providers can use funds to pay prior program expenses incurred after December 1, 2021 to the date of application. These expenses shall be reported during the first monthly report.
- All expenses and receipts need to be dated December 1, 2021 - June 30, 2024.

Note: Expenses cannot have already been funded by a prior Child Care Development Fund program or reimbursed by another state or federal funding source.

Do I have to accept the full Grant award?

No, on the application you can request to receive a lesser amount than the Office of Child Care has estimated for the type of care you provide, if the grant award exceeds your operating expenses.

I don't think my grant award was calculated correctly. What should I do?

If you have questions about how your grant award was calculated, please contact the Child Care Stabilization Grants team at occstabilization@utah.gov.

My information has changed since I first applied. Will my grant award change?

Effective July 1, 2022, if you experience an increase in your licensed or approved capacity, your operational status or your location, your grant award will not be adjusted. Changes to your licensed or approved capacity or location should be reported to Child Care Licensing or appropriate regulatory agency. You may report changes to your operational status to occstabilization@utah.gov. Please include your application number in the subject line.

Under what circumstances would the Office of Child Care stop issuing grant payments?

Receipt of grant payments is contingent on compliance with the grant terms and conditions. OCC may stop issuing grant payments to programs when:

- There is a founded case of abuse and/or neglect against a provider
- A provider loses their licensed, regulated status
- A provider chooses to permanently close
- Monthly Reports are not completed in a timely manner
- Monthly reports have not been submitted for three consecutive months.
 - Failure to submit three consecutive monthly reports will result in the closure of the Stabilization Grant and return of any unsubstantiated funds.
- Payments have been suspended for two months and the reason has not been resolved. Could include but not limited to:
 - Liability Insurance not current and up to date
 - Under spending grant funds
 - Audit findings
 - Changes with Child Care Licensing
- Failure to agree to the reimbursement acknowledgement
- OCC may stop issuing grant payments when funding is no longer available.

Do I need to return funds that I received and am not able to spend on allowable items during the expense period?

Yes, programs are required to repay all unspent funds.

What are the consequences for a provider who applied for and accepted these funds not meeting the funding requirements?

If there is indication that a provider has failed to meet Child Care Stabilization Grant Program requirements, it may result in discontinuation of future grant payments and recoupment of payments already made.

Are there any circumstances where I will be required to pay these funds back?

These funds do not constitute a loan and child care providers who comply with funding requirements will not be required to pay them back. However, funding recipients found to have violated the terms of the application process or certification may have prior payments recouped and future payments discontinued.

ALLOWABLE EXPENSES

What are allowable expenses?

Programs that spend grant funds on allowable uses will be considered compliant with this certification. Any time there are shared spaces or equipment, remember that costs such as mortgage, rent, streaming services, utilities, vehicle, furniture, appliances, remodeling, televisions, etc. must be allocated using a reasonable methodology consistent with IRS regulations. Providers will need to follow IRS regulations for allocating time and space when using funds for allowable expenses. For further questions about shared space, please consult a tax expert.

Can I use Stabilization Grant funds to cover family copayments or tuition?

No. Child care providers cannot use Stabilization funds to cover family copayment, out of pocket expenses, tuition or scholarships.

Can I use Stabilization Grant funds for wages of minors as Utah Code allows minors under the age of 14 to work in occupations such as baby-sitting?

No. Baby-sitting is considered “casual work.” Utah Code defines “casual work” as employment on an incidental, occasional, or nonregular basis which is not considered full-time or routine. Grant funds cannot pay staff under the age of 14.

Where can I find additional information regarding employment of minors?

For additional information regarding employment of minors, please reference Utah Code: <https://le.utah.gov/xcode/Title34/Chapter23/34-23-P2.html>

Can these funds be used to help cover the costs of consulting with a tax preparer?

Yes, as this is a business expense.

What is the timeframe I need to spend the funds?

The Stabilization Grant funds are intended to cover expenses in the month funds were issued. For example, funds received for January are expected to cover expenses incurred in January. However, we have allowed for some flexibility for liquidating the funds with the understanding that depending when the check was mailed and received, it could impact when expenses are paid. Therefore, you will need to spend the grant funding within two calendar months or 60 days after payment issuance. Payment will be adjusted if all funds are not spent in a timely manner. Funds can be used for past expenses incurred between December 1, 2021 and 60 days from the first payment issued.

Note: Expenses cannot have already been funded by a prior Child Care Development Fund program or reimbursed by another state or federal fund source.

How can I spend these funds?

Funds must be spent on the following to support necessary and reasonable costs of maintaining or enhancing high-quality care:

- **Personnel costs:** Expenses that cover income and benefits to you, as the owner, or the people who work for you. They include expenses related to hiring, compensating, training and/or retaining staff. Salaries, fringe benefits, health, dental and vision insurance; paid sick or family leave; and retirement contributions.
 - Examples of allowable personnel costs include ongoing professional development or training, premium or hazard pay, staff bonuses and employee transportation costs to or from work. Funds may also be used to support staff in accessing COVID-19 vaccines, including paid time off for vaccine appointments and to manage side effects, as well as transportation costs to vaccine appointments.
 - Professional development on social/emotional curriculum or trauma and purchasing related materials (e.g., books, videos).
 - Personnel costs can pay for staff wages who are listed on CCL with qualified role(s) of caregiver, owner, director, director designee, business administrator and/or other.

Restrictions: Personnel costs to pay staff not listed on CCL, volunteers, household members, minor staff under the age of 14, or board members is not an allowable expense for the Stabilization Grant funds.

- **Rent, utilities, and insurance:** Rent (including rent under a lease agreement) or payment on any mortgage obligation, utilities, facility maintenance or improvements, or insurance. It also may include late fees or charges related to late payment of rent, utilities or insurance expenses.
- **Facility maintenance and improvements:** Subgrant funds may not be used for construction or major renovations. Acceptable expenses may include:
 - Building or upgrading playgrounds, renovating bathrooms, installing railing, ramps, or automatic doors to make the facility more accessible.
 - Removing non-load bearing walls to create additional space for social distancing.
 - Maintenance and minor renovations to address COVID-19 concerns are appropriate, as are any facilities improvements that make programs inclusive and accessible to children with disabilities and family members with disabilities.
- **Personal protective equipment, cleaning, and other health and safety practices:** Personal protective equipment (PPE), cleaning and sanitization supplies and services, or training and professional development related to health and safety practices. Uses of funds under this category are not limited to those designed specifically in response to the COVID-19 public health emergency and may include
 - Equipment, supplies, services and training that support meeting state and local health and safety guidelines, including those related to the prevention and control of infection diseases, prevention of sudden infant death syndrome and use of safe sleep practices
 - Administration of medication (consistent with standards for parental consent), prevention and response to emergencies due to food and allergic reactions
 - Building and physical premises safety, prevention of shaken baby syndrome and abusive head trauma and child maltreatment
 - Response planning for emergencies from a natural disaster or a man caused event
 - Handling and storage of hazardous materials and the appropriate disposal of bio contaminants, appropriate precautions in transporting children, pediatric first-aid and CPR, and recognition and reporting of child abuse and neglect.
- **Equipment and supplies:** This category includes purchases of or updates to equipment and supplies to respond to the COVID-19 public health emergency. So long as the

equipment and supplies are in response to the COVID-19 public health emergency, they may include

- Indoor and outdoor equipment and supplies that facilitate business practices consistent with safety protocols and developmentally appropriate practice
 - Business items needed to respond to new challenges, such as business software and upgrades.
- **Goods and services:** Any material goods or service necessary for the operation of a child care program.
 - Examples of goods that might be necessary to maintain or resume child care services include food and equipment and materials to facilitate play, learning, eating, diapering and toileting, or safe sleep.
 - Examples of services that are allowable include business automation training and support services, shared services, child care management services, food services, transportation, and consulting an accountant/tax preparer.
 - This category also covers fees associated with licensing and costs associated with meeting licensing requirements.
 - **Mental health support:** Providers may use these funds to support the mental health of children and employees.
 - Infant and early childhood mental health consultation (IECMHC), an evidence-based, prevention-based strategy that teams mental health professionals with people who work with young children and their families to improve their social, emotional, and behavioral health and development in the settings where children learn and grow, is one example of an allowable mental health support. Funding for one-on-one child support for behavioral needs.
 - The wellbeing of caregivers is also important to stabilizing the child care sector because the mental health and wellbeing of staff impacts training, recruitment, and retention as well as the level of care provided to children. Mental health consultations for staff and other types of mental health support and reimbursements to staff are also allowable
 - Program consultation services for mental health or mental health related programs.

Restrictions: mental health support do not include expenses for general wellness such as gym membership, spa service, vacation, entertainment, or gifts.

Do I need to spend the money on the same categories every month?

No, you can change the categories that the money is spent in each month. However, it must be spent on the categories allowable for the grant as defined in the grant agreement.

Under this grant, how can I apply for the funding to expand my center? Right now I have home-based child care. I am looking to put a small addition on my home, which will allow me to expand.

These funds cannot be used for expansion or new construction. Stabilization Grant funds can only be used for repairs/improvements, not additions/expansions.

Do I need to save and submit receipts associated with this grant?

Yes. Providers must save the receipts for purchases made with these grant funds for six years. Providers may be asked to submit these receipts to Workforce Services. If a provider is unable to provide receipts and documentation upon request, they may be required to repay part or all of the grant funds.

Please refer to “OCC Stabilization Grant Documentation Tips” posted on our website for examples of expense documentation.

Can I use the money for start-up costs for a new facility?

Child Care Stabilization Grant funds are intended to help existing programs remain stable during the pandemic. Grant funds may not be used to open a new facility or re-open a program that has permanently closed. However, grant funds may be used for general operating expenses. Available Workforce Services grant opportunities can be found at [Child Care Grants](#).

What are minor renovations?

The following are examples of minor renovations, which are allowable expenses:

- Upgrading the kitchen to add safe electrical outlets and fix plumbing fixtures.
- Installing new HVAC to improve ventilation.
- Installing smoke detectors, a sprinkler system, or other fire warning device.
- Installing secure storage for hazardous materials.
- Replacing or installing cabinets to provide adequate storage space for each child's personal belongings.
- Remediating lead paint and/or lead pipes.
- Repainting walls with non-toxic paint.
- Improving food preparation areas.
- Installing room dividers.
- Improving internal play space.
- Installing age-appropriate plumbing, such as child-sized toilets and sinks.
- Purchasing materials and play equipment to improve outdoor spaces.
- Install plexi-glass barriers to a program entrance.
- Expand outdoor play and gathering spaces.
- Replacing windows or doors.
- Completing minor roof repair.
- Removal of non-load bearing walls to create additional space for social distancing.
- Updating sidewalks to provide a safe pathway for children.
- Installation of rails and ramps to increase accessibility for individuals with disabilities.

What are major renovations?

Major renovations, construction or the purchase or improvement of land are not allowable expenses. Major remodeling or renovations are not allowed for these funds. Major renovations are defined as:

- (1) structural changes to the foundation, roof, floor, exterior or load-bearing walls of a facility, or the extension of a facility to increase its floor area; or
- (2) extensive alteration of a facility such as to significantly change its function and purpose, even if such renovation does not include any structural change.

The following are examples of capital improvements or major renovations:

- Structural changes to the foundation, roof, floor, exterior or load-bearing walls of a facility (minor renovations are allowable)
- Alteration of a facility such as to significantly change its function and purpose, even if such renovation does not include any structural change
- The purchase or improvement of land and/or facilities

If you have questions on whether an expense is a minor or major renovation, please contact occstabilization@utah.gov.

Do I need to submit receipts?

You are not required to submit receipts with your monthly reports, unless requested by Workforce Services. However, child care programs are required to maintain receipts for all expenses associated with this funding for a period of six years.

For examples of expense documentation refer to “OCC Stabilization Grant Documentation Tips” posted on our website.

Do receipts need to be dated during a certain period?

All expenses and receipts need to be dated December 1, 2021 - the end of the grant.

What are the consequences for a provider who applied for and accepted these funds not meeting the funding requirements?

If there is indication that a provider has failed to meet Child Care Stabilization Grant requirements, they will receive written notice and have an opportunity to clarify and/or correct any non-compliance. Failure to make the required corrections timely, and/or indication that a provider provided false or misleading information to the Department of Workforce Services with regard to the funding requirements, may result in discontinuation of future eligibility for grant funds, recoupment of payments already made, and/or referral to DWS Internal Audit for additional action.

For staff mental and physical health can we purchase some workout equipment for staff for an on-site workout area at our daycare?

Workout equipment is not an allowable purchase.

Where do I put my car cost if the car is used specifically for child care transportation?

Please put this information on the Goods and Services section. The Office of Child Care Information Memorandum regarding ARPA Stabilization Grants specifies that transportation is an allowable cost. Based on this, providers are allowed to use funds to cover costs associated with using a vehicle for business purposes (including payments, repairs/ maintenance, gasoline costs based on the federal mileage guidelines of 65 cents per mile). Providers can only use the funds to cover costs associated with the business and should allocate costs accordingly.

Is the purchase of a passenger vehicle an allowable expense under the Stabilization Grant?

The purchase of a passenger vehicle is not an allowable expense under this grant. Funds under this grant can be used for transportation such as mileage reimbursement, gas and insurance for vehicles used for the child care business. Funds can be used for EXISTING car loan payments (vehicle purchased before 12/1/2021). Monthly payments must be within reasonable increments as outlined by terms of the loan and payment scheduled.

What is the CFDA number?

The CFDA is 93.575.

TAX CONSIDERATIONS

If I pay myself, how much will I owe in taxes?

It will depend on your personal finances. Please consult with your accountant or tax advisor for your specific situation.

Can I use the Stabilization Grant funds to pay my federal taxes?

No. Using Child Care Stabilization Grant funds to pay federal taxes is not an allowable expense. For further guidance on the tax implications of the Child Care Stabilization Grant, please contact your accountant or financial advisor. You may use grant funds to pay for an accountant or financial advisor.

Can payroll taxes be included in my personnel costs?

Yes, payroll taxes are an allowable operating expense. Payroll taxes are limited to the taxes for the employer only. For more information, go to the Code of Federal Regulations CFR 200.470.

Can I use grant funds to pay property tax?

Yes, if your regular property tax expense is part of your regular mortgage payment. You may not use grant funds to pay property tax debt. Licensed Family providers need to follow the “Time-Space percentage formula” when using funds.

Can I use grant funds to pay for financial consultation to help me consider how to use the grant funds?

Yes. Working with a qualified professional is an allowable operating expense. It might show up in your budget as a professional services line item.

It is important to know you cannot claim the same business expenses already paid for by:

- The Paycheck Protection Program
- Employee Retention Tax Credit
- Families First Coronavirus Relief Act (such as Emergency or Family Leave)
- Any other stimulus and relief funding program
- Any other publicly funded grants.

MONTHLY REPORTING

How will I complete the monthly report?

The monthly report will be completed as part of your Child Care Stabilization Grant application in Care about Childcare. You will be required to report how you spent the Stabilization Grant funds in each allowable area. Click on the due date to open the monthly report.

When are monthly reports due?

Ongoing monthly grant reports are due on the 5th of each month. Example, the monthly report for September expenditures is due November 5, 2022. Remember to save the receipts for purchases made with these grant funds for six years. You may be asked to submit these receipts to Workforce Services.

Do I have to upload any documents as part of my monthly report?

Yes, you are required to upload payroll documentation if you are receiving the enhanced base rate. Failure to do so will result in your enhanced base rate being removed permanently.

Why does my monthly report show as overdue?

Overdue status indicates that a monthly report was not submitted by the 5th day of the second month after payment was issued. This message is automatically generated based on the application date regardless of reporting system availability. Complete all due and overdue reports by the 5th of the month.

Can I make changes to my monthly report after it has been submitted?

No. Once the report has been submitted, it will not be available to edit. If you have concerns about the answers on your monthly report and need to make changes, email occstabilization@utah.gov. OCC will determine if the provider may be able to upload a corrected report to the grant portal or email the report. The changes or edits are limited to one time per monthly report.

Please read each question on the monthly report carefully, report how you spent the Stabilization Grant funds in each allowable area, and review your answers before submitting.

How do I keep track of my expenses?

- Providers are responsible for keeping track of the monthly expenses, invoices, receipts and/or ledgers.
- Providers can keep track of these expenses using a method that works best for your program.
- For example, providers create and use a spending log or excel spreadsheet to document monthly expenses and save supporting documents to verify the expenses. Or use an accounting system to track and record expenses.
- Remember to save the receipts for purchases made with these grant funds for six years. You may be asked to submit these receipts to Workforce Services.

Am I required to maintain liability insurance the entire grant period?

Yes, liability insurance with the correct amounts for your program's capacity size must be maintained the entire grant period. Lapse in insurance coverage could result in an overpayment or recoupment of Stabilization Grant funds for months not covered.

What are the required limits for liability insurance?

The insured party name for the certificate of insurance must match your program/organization name in which you are applying for the grant. Liability insurance amounts are based on provider type:

- Child Care Center: \$1 million per incident and \$3 million aggregate
- Child Care Licensed Family (Licensed for up to 16 children): \$1 million per incident and \$2 million aggregate
- Child Care Licensed Family (Licensed for up to 8 children) and Child Care Residential Certificate: \$500,000 per incident and \$1 million aggregate

How will I report payroll on the monthly report?

[See Payroll FAQ above.](#)

How do I report that I have hired employees and request the enhanced payment?

As of August 1, 2022, requesting to opt in to receive the enhanced payment is not available.

How can I upload my report(s) that show overdue?

Click on the OVERDUE link for each month and it should take you to the monthly report.

Where do I report parent scholarships or supplemental parent payments?

Effective 02/01/2023, Child care providers **cannot** use Stabilization Grant funds to cover family copayments, out of pocket expenses, tuition or scholarships.

How do I upload multiple documents?

You will only be able to upload one file. Try to combine all files into one file format or you can upload the additional documents to your application through the Child Care Stabilization Grant tile on [Care About Childcare](#).

How do I upload additional documents?

Upload the additional documents to your application through the Child Care Stabilization Grant tile on [Care About Childcare](#).

- Click the [Application](#) link below the Monthly Report Section
- Scroll down
- Click the Upload Additional Files button and select the appropriate file type.
- Multiple document uploads are accepted.
- Save files with month/year identified.

For the monthly reports, do I need to list expenses that exceed the amount of the grant?

Enter the Monthly Grant Expenditure amounts utilized from the Stabilization Grant only. Do not enter your total monthly expenses if other revenue or reimbursements were used. For example, in the Food and Nutrition field, enter the amount of Stabilization Grant funds you used to pay for this expense. Do not include any amount your program will be reimbursed if you participate in a food program.

My expenses exceed the grant, do I report my total expenses?

No, only report the expenses for which Stabilization Grant funds were used.

What happens if I am not able to spend all the grant funds allocated?

Providers who submit spending reports with expenses totaling less than the funded amount each month are expected to return the unspent funds. Please email OCCstabilization@utah.gov to adjust grant payments to match your program expenditures to avoid underspending of funds. Stabilization funds can be used to cover eligible expenses incurred between December 1, 2022 and 60 days from the date of the payment issued. Providers can look back to their costs to identify where these funds can be used.

As a licensed family provider, do I report my total mortgage and/or other facility expenses?

No, only report the amount of funds used based on the IRS Time-Space percentage formula to meet the allowable portion.

How much time do I have to provide additional documentation that is requested?

You have seven (7) calendar days from the date of request to provide additional documentation.

How do I opt in for an enhanced grant amount on the monthly report?

As of August 1, 2022, requesting to opt in and request the enhanced payment is not available.

What happens if I accidentally opt out when submitting the monthly report?

You will be given one (1) opportunity to upload a statement within three (3) days and opt in when submitting the next monthly report.

What happens if I do not upload a statement within three days or forget to opt in when submitting the next monthly report?

The enhanced base rate will be removed permanently.

What happens if I don't pay 51% of my staff \$15 per hour when I complete the monthly report?

The enhanced base rate will be removed permanently.

How do I report payroll for staff that work at multiple locations?

Staff can only be counted at one main location for the enhanced grant payment for monthly reporting. Providers must determine the main location and report payroll for that staff during the monthly reporting for that main location for the entire grant period.

Can I change the main location for my employees each month?

No, once a main location is determined for an employee, that will remain for the entire grant period.

Can I opt in to the enhanced payment if I lose it at any time?

Effective August 1, 2022, the enhanced payment is removed permanently and you are not able to opt in the future.

What happens if I don't provide payroll documentation to verify I pay 51% of my staff a minimum wage of \$15 per hour to remain eligible for the enhanced payments when I submit the monthly reports?

You will be asked to provide more documentation within seven (7) days of the request.

What happens if I don't provide payroll documentation to verify I pay 51% of my staff a fixed minimum wage of \$15 per hour to remain eligible for the enhanced payments within seven (7) days?

The enhanced payment will be removed permanently.

How do I fix the expense report error?

1. Every field needs to be completed. Enter zero (0) or n/a if not applicable or available.
2. How to troubleshoot issues:
 - o Open an Incognito Window in Chrome
 - a. Click on the settings menu
 - b. Select new incognito window
 - c. Copy and paste the Care About Childcare link
2. Clear the history (cookies or cache) from your browser
3. Try a different browser, such as Mozilla Firefox
4. Try uploading a different format (ex: photo format, .jpg or .png)
5. Make sure every field is completed even if it's a zero
6. Refer to provider help attachment for further troubleshooting issues

What are the requirements for an emergency substitute?

An emergency substitute is to be used in the event of an emergency where the provider must leave the children and they are unable to have any of their current caregivers cover for them.

- The substitute must be at least 18 years old, substituting for the minimum amount of time possible or for less than one business day, and sign a written background statement before being left alone with the children.
- Child Care Licensing may grant an emergency variance to the emergency substitute rules for up to 10 working days.

- The Emergency Substitute Rules are found in our Interpretation Manuals.
 - For Licensed Family Providers the rules are in Section 14 #15-17 of the Licensed Family Interpretation Manual.
 - For Residential Certificate Providers the rules are in the Residential Certificate Interpretation Manual Section 14 #11-13.
 - The Emergency Substitute Variance can be found in Section 10 of the License Family and Residential Certificate Interpretation Manuals.
- Link to the Interpretation Manuals: <https://childcarelicensing.utah.gov/Rules.html>

Is there a DWS Contract number, Sams or Duns number for the Stabilization Grant?

No, the Stabilization Grant does not have a contract number since this is a beneficiary program and does not follow the traditional grant process.

What are the certifications and agreements I legally attested to when I completed the application for the Stabilization Grant?

- I will implement policies in line with guidance and orders from state, territorial, tribal and local authorities, and also implement policies in line with guidance from the Centers for Disease Control and Prevention (CDC).
- I agree to pay each employee at least the same amount in weekly wages and maintain the same benefits for the duration of the subgrant.
- I agree to not involuntarily furlough any employees from the date of application submission through the duration of the grant
- I agree to provide relief from copayments and tuition payments for the families enrolled in the child care programs, to the extent possible, and prioritize relief for families struggling to make either type of payment targeting families earning below 85% of the state median income.
- I agree to maintain or supervise the maintenance of all records necessary to properly account for my performance and the payments made by Workforce Services. These records will be retained for at least six years after final payment, or until all audits initiated within the six years have been completed, whichever is later.
- I agree to allow, at no additional cost, the State of Utah, federal auditors and Workforce Services staff access to all such records and to allow interviews of any employees or others who might reasonably have information related to such records. I also agree to include a similar right of the state to audit records and interview staff in any subcontract related to performance of this grant.
- I understand that the funds available through the Child Care Stabilization Grant are time limited and could terminate at any time due to lack of funding.
- I understand that my program is ineligible to receive subsequent payments if my program closes for more than 14 days and is no longer licensed after signing this agreement.
- I understand that if I do not use all of the Child Care Stabilization Grant funds I receive each month, my grant amount may decrease or terminate.
- I understand as a Child Care Stabilization Grant recipient, all funds must be spent by September 2023 and I will need to submit a monthly report detailing how the funds were spent.
- I understand that as a Child Care Stabilization Grant recipient, I have no outstanding child care grant overpayments or I have an established repayment plan and I am in good standing with Workforce Services.
- I understand that the Office of Child Care will conduct random audits to ensure that funds are expended according to the grant's intent. I agree to participate and cooperate when my program is selected to be audited.
- I certify that all information in this application is true and accurate. If I knowingly provide false or misleading statements in this agreement, Workforce Services will issue an overpayment in accordance with Utah Administrative Code R986-700-731.1 (see Utah State Bulletin, April 1, 2020, Vol. 2022, No. 7, Page 45.

What was the agreement when I opted in to receive the enhanced base rate?

“I would like to apply for an enhanced payment for my program. I agree that my program currently pays, or will pay, the majority (51% or higher) of staff a minimum wage of \$15 per hour within 60 days of receiving the enhanced payment.”

Who can I contact with questions?

Questions can be sent to occstabilization@utah.gov.