

NUMBER

#18-68-16

DATE

September 6, 2018

OF INTEREST TO

County and Tribal Directors
Social Services Supervisors and
Staff
Child Care Assistance Program
Administrative and Client
Access Contacts

ACTION/DUE DATE

Please read information and
prepare for implementation

EXPIRATION DATE

September 6, 2020

Child Care Assistance Program Asset Limit

TOPIC

Asset limit for Child Care Assistance Program effective October 1, 2018.

PURPOSE

Provide information and instructions on policy change.

CONTACT

Contact your Child Care Assistance Program policy specialist or submit your question through PolicyQuest.

SIGNED

NIKKI FARAGO
Assistant Commissioner
Children and Family Services

TERMINOLOGY NOTICE

The terminology used to describe people we serve has changed over time. The Minnesota Department of Human Services (DHS) supports the use of "People First" language.

I. Background

The Child Care Assistance Program (CCAP) helps approximately 15,000 families pay for child care for 30,000 children throughout Minnesota.

Assets were not considered when determining a family's CCAP eligibility prior to October 1, 2018.

The federal Child Care and Development Block Grant (CCDBG) Act of 2014, which provides funding for CCAP, requires families to certify that their assets are \$1 million or less.

II. Policy information

Effective October 1, 2018, a family's countable assets must not exceed \$1 million to receive CCAP.

A. Forms and other documents

These forms will be updated to include the question "Are your family's assets \$1 million or less?"

- Minnesota Child Care Assistance Program Application ([DHS-3550](#))
- Combined Application - Child Care Addendum ([DHS-5223D](#))
- Child Care Assistance Program Redetermination Form ([DHS-5274](#))
- ApplyMN Application

These documents will be updated to inform families that they must report changes that put their family's assets over \$1 million:

- Child Care Assistance Program (CCAP) - Change Report Form ([DHS-4794](#))
- Reporting Responsibilities for CCAP Families ([DHS-6953](#))

B. Family requirement to declare whether assets are more than \$1 million

1. Effective date

The effective date of this policy is October 1, 2018.

- The asset limit must be met for applications submitted on or after October 1, 2018.
- The asset limit must be met for redeterminations with a redetermination due date of October 1, 2018 or later. The redetermination due date is on the Redetermination Window.
- Families must report if their assets exceed \$1 million beginning October 1, 2018.

2. Family requirement

A family's countable assets must not exceed \$1 million to receive CCAP. Families declare whether their assets meet this limit when they complete the forms listed in section A.

- If a family declares their assets are \$1 million or less, the family meets the asset limit requirement, and no further verification is needed.
- If a family declares their assets are more than \$1 million, the family's assets must be evaluated to determine if their countable assets are more than \$1 million.

Families must report changes that put their assets over \$1 million. Families will be informed of this requirement on the CCAP Change Report Form ([DHS-4794](#)) and the Reporting Responsibilities for CCAP Families brochure ([DHS-6953](#)).

C. Evaluation policies when family declares assets are more than \$1 million

Some assets are counted toward the \$1 million asset limit and some assets are not counted toward the \$1 million asset limit. Count the value of the following assets toward countable assets.

1. Cash

The value of all cash held by all CCAP family members is counted toward the \$ 1million asset limit.

2. Bank accounts

The value of bank accounts held by all CCAP family members is counted toward the \$ 1million asset limit.

Bank accounts include:

- Checking accounts
- Savings accounts
- Money market accounts
- Debit cards*
- Matured certificates of deposit**

*A debit card is a bank card issued by a financial institution that accepts direct deposits, has a dollar value and allows the card owner to make an electronic purchase or withdraw cash. This includes cards provided by a bank as a service for customers who cannot open checking or other types of deposit accounts.

**A matured certificate of deposit means a certificate of deposit (CD) due for payment to the CD owner. The maturity date determines when the owner is eligible to access the funds with no withdrawal penalty.

3. Stocks, bonds, pensions, and retirement funds

The value of stocks, bonds, pensions, and retirement funds held by all CCAP family members is counted toward the \$1 million asset limit unless there is a penalty for early withdrawal.

Financial penalties include: any reduction in an investment's value or benefit if accessed early, surrender charges, penalties for early withdrawal, revocation of bonuses or one-time payments, higher fees, or reduced interest guarantees.

4. Vehicles

One vehicle per family member who is age 16 or older is not counted toward countable assets. The value of all other vehicles owned by a member of the CCAP family is counted toward the \$1 million asset limit.

Vehicles are defined as a car, truck, van, camper, motorcycle or trailer. A mobile home or manufactured home intended for permanent occupancy is NOT a vehicle.

Count the trade-in value of any vehicle counted toward the \$1 million asset limit. The trade-in value is the Average Trade-In value listed in the current NADA online car values and car prices guide.

If the car is not listed in the current NADA online guide or the applicant or participant disputes the trade-in value listed in the current NADA online guide, a written statement of a vehicle's trade-in value from a car dealer licensed in Minnesota must be accepted from the client.

5. Real Property

The following real property (real estate) is not counted:

- Property that the family lives on.
- Real property that is homesteaded.
- Property used for self-employment or self-support (including equipment, land or buildings used for self-employment).

CCAP counts the value of all other real property toward the \$1 million asset limit. This may include houses, buildings or land.

6. Other information

The CCAP policies for asset evaluation are aligned with asset evaluation policies for MFIP in [Combined Manual \(CM\) § 0015](#) and [Minnesota Statutes, section 256P.02](#), except the following:

- The CCAP asset limit is \$1 million.
- The value of sponsors' assets is not counted for non-citizens applying for or receiving CCAP. No information about sponsors' assets is needed for CCAP.

III. County and tribal agency actions needed

A. Information unknown - family did not answer question or form did not include question

Whether the family meets the asset limit may be unknown if the family did not answer the question or an older version of a form was used.

Follow up with the family if it is unknown whether they meet the asset limit at application or redetermination. Eligibility cannot be approved until the family responds. Methods to follow up include:

- A phone call, in person conversation, or secure email asking whether their assets are \$1 million or less. Document the response in case notes.
- A memo sent to the family asking whether their assets are \$1 million or less. Document the response in case notes or keep a copy of the family's written response.

Sample text:

To determine if you are eligible for child care assistance you must answer the question below. Assets include cash, bank accounts, vehicles, investments, and real estate (other than your home). Do not include the home you live in, personal belongings, or self-employment assets.

Are your family's assets \$1 million or less?

☐ *Yes, my family's assets are \$1 million or less.*

☐ *No, my family's assets are more than \$1 million (your worker will contact you for more information).*

If a family submits a version of the CCAP Change Report Form ([DHS-4794](#)) during the 12 month eligibility period that does not have the asset limit question, no further action is needed.

B. Family declares assets are \$1 million or less

If a family declares their assets are \$1 million or less, no further action is needed to determine if the family meets the asset limit.

Do not request verification of assets from a family who has declared their assets are \$1 million or less. The only exception is if there is inconsistent information suggesting the family's assets may exceed \$1 million.

C. Family declares assets are more than \$1 million

If the family declares their assets are more than \$1 million, you must follow-up with the family to determine if all assets declared are countable.

1. Evaluation required to determine if countable assets are more than \$1 million

Send the family a memo requesting verification of their assets. Allow the family 15 days to provide verification. See [CCAP Policy Manual §7.1 \(Verification Due Dates\)](#).

Sample text:

You reported assets of more than \$1 million. To get help with child care, countable assets must not be more than \$1 million. For all family members, submit verification of:

- *Cash: Send a signed statement.*
- *Bank accounts (checking, saving, money market, debit cards, matured CODs): Send bank statements.*
- *Stocks, bonds, retirement and pension accounts you can access without penalty: Send statements.*
- *Vehicles (cars, trucks, vans, campers, motorcycles, and trailers): Send each vehicle's year, make, and model.*
- *Property: Do not include your home and property for self-employment. Send property statements for other property.*

CCAP will deny your request if countable assets are more than \$1 million or if you do not submit verification.

When you receive verification, follow the guidance in II.C. (Evaluation policies when family declares assets are more than \$1 million) to determine the value of the family's countable assets.

Follow the verification policies in [CCAP Policy Manual §7](#). Any form of verification is acceptable if it confirms the client's statement. Do not demand a specific document or form of verification. When proof is not available despite the efforts of you and the family, get a signed statement from the family.

2. Instruction if countable assets do not exceed \$1 million

Determine eligibility as usual if:

- The family returns requested verifications
- AND
- The value of the family's countable assets does not exceed \$1 million.

Send the family a memo informing them their countable assets are below the limit. Include the calculated value of their countable assets, and remind the family that they must report if their countable assets go above \$1 million.

3. Instructions if countable assets are more than \$1 million or family does not provide information

Close or deny the family's case if:

- They return requested verifications, and the value of their countable assets is over \$1 million.

- They fail or refuse to return requested verifications to calculate their countable assets.

a. MEC² Instructions

MEC² is not programmed for an asset test. When a family's case must be closed or denied because their assets exceed the limits and/or they failed to provide information necessary to evaluate their assets, follow these instructions:

1. Navigate to the **Eligibility Results Selection** window in the biweekly period that you want to close or deny results. Allow a 15-day notice of adverse action when closing an existing CCAP case.
2. Click "**View Results**".
3. Click the **Family Results** tab.
4. Click "**Edit**".
5. Select the override reason "**Legislative Policy Change**" on the **Override Reason** dropdown.
6. Change the **Program** test to "**Fail**".
7. Click "**Save**".
8. Review and approve results as usual.
9. Navigate to the family's Notice tab on the Notice Activity window.
10. Select the notice to edit. The **Title – Description** will be either "**Eligibility Approval: Closing**" or "**Eligibility Approval: Denial**".
11. Click "**View/Comments**" to view the notice.
12. Click "**Edit**".
13. In **Comments**, add the following text:

You are not eligible for CCAP because you failed to return requested proofs about your family's assets, and/or your family's counted assets are above the asset limit. (Child Care Development Block Grant Act of 2014, Public Law Number 113-186, 658P; Federal Child Care and Development Fund, 45 C.F.R. § 98.20; Minn. Stat. § 119B.)
14. Click "**Save**".

NOTES: Steps 9 – 14 must be completed the same day you approve results, while the **Print Status** is "**Waiting to Print**".

D. Family fails to report assets of more than \$1 million

If it becomes known to the agency that a family failed to report their assets were more than \$1 million, follow the instructions in III.C. to determine the value of countable assets. If the value of countable assets is more than \$1 million, there may be an overpayment.

E. When to contact your policy specialist

Contact your policy specialist if:

- You need assistance calculating an overpayment that resulted from a family's failure to report assets over \$1 million.
- You learn of a family that may have improperly transferred their assets to establish or maintain eligibility for CCAP. "Transfer" means giving, selling, and/or trading an asset to another owner.
- You have any additional questions about implementing this policy.

IV. Legal references

The Child Care Development Block Grant Act of 2014, Public Law Number 113-186.

Federal Child Care and Development Fund, 45 C.F.R. § 98.20

Americans with Disabilities Act (ADA) Advisory

This information is available in accessible formats for people with disabilities by calling (651) 431-3809 (voice) or by using your preferred relay service. For other information on disability rights and protections, contact the agency's ADA coordinator.