

# Infant Toddler Quality Improvement Project

## FAQ's

### Award Calculations

#### How was my grant award calculated?

Providers selected to participate in this pilot will be paid a grant award based on a funding formula. The formula includes the following:

- The number of full-time infants and toddlers in your care receiving CDC Subsidy.
- The GSQ Quality Level of your program.
- Whether or not you care for an infant or a toddler on an IFSP.
- Whether or not you are participating in the expansion of GSRP.
- Whether you are able to add full-time infant/toddler slots that receive CDC Subsidy.

Additional Bonuses may be paid in the future based on the following (funding dependent):

- Whether the GSQ Quality Level of your program increases.
- Whether you or your staff increase their infant/toddler credentials (such as earning a CDA).

#### When will I receive my grant award?

- You will receive your first monthly grant payment in December.
- Beginning in January 2024, you will receive a payment on or before the 5<sup>th</sup> of the month if you are up to date in submitting your reports, which are due on the 10<sup>th</sup> of each month.

#### What do you mean by 'Slot?'

- Slot refers to the number of openings or children enrolled in your program.
- For this grant, we funded a 'slot' for each child up to 35 months you billed subsidy for on a full-time basis.
- On the application, we asked if you would be able to expand the number of slots with this funding. If you said yes, we awarded you expansion slots to fill with children up to 35 months receiving subsidy or who would receive subsidy once enrolled.

#### Explain the wording of \$12,000/per slot per year.

- Our hope is that this program extends past 9/30/24. To that end, the award amount was calculated based on what, if this was not a pilot, would be an annual award per slot.

#### How do I calculate my monthly award amount?

- Your award letter will tell you how many slots we funded and a per year amount per slot.
- To determine the monthly payment, multiply the number of slots by the amount per slot and divide it by 12.
- You will be paid ten payments of that monthly amount for the pilot, NOT the full annual amount.
- Please note, this is your anticipated monthly award amount if there are no changes. There may be adjustments if you fail to show documentation for expansion, special needs, etc.

#### Will my award amount change?

Maybe.

- If we awarded you expansion slots and your subsidy number does not increase, we will reappropriate them to programs who can increase their enrollment.

## What can I do to not lose slots?

- Make sure you bill subsidy EVERY MONTH.
- If you are struggling to enroll new subsidy recipients, please contact your Resource Center or the ITQI team so we may work on getting you referrals.
- Submit your reports on time.
- Communicate with us if you have concerns and respond to our communications.
- Make sure your enrollment numbers are up to date each month in GSQ.

## What is “expansion”

- One goal of this study is to increase the number of subsidy eligible children up to 35 months that are receiving child care. One way that other states have done this successfully is switching to this model of pre-awarding subsidy dollars to providers so that they could hire the staff they would need or set up their space appropriately to increase the number of infants and toddlers they can care for. This pilot is a test to see if we can expand subsidy reach in Michigan the same way.

## What certifications are required to receive the grant?

- From the grant application, terms and conditions for these funds are as follows:

“By agreeing to these terms and conditions and applying for the Infant Toddler Quality Improvement Pilot Grant, I certify that all information provided as part of this application is true and accurate to the best of my knowledge and agree to each of the following statements:

### Required Certifications *[must be met for the duration of the grant]:*

- Child care providers receiving funds must be in compliance with all health and safety requirements, local health, fire safety, and zoning requirements, and, to the greatest extent possible implement policies in line with guidance from the [Centers for Disease Control \(CDC\)](#) and [Child Care Licensing Rules](#).
- I agree to use this funding for costs associated with infant and toddler care supported by CDC Subsidy only.
- I agree to spend grant funds on **allowable expenses**.
  - All funds received from this Infant Toddler Quality Improvement Pilot Grant will be used for the following purposes:
    - Personnel costs, including payroll and salaries or similar compensation for employees who works directly with infants and toddlers that receive CDC Subsidy (including sole proprietor), and benefits; if selected for funding, you will receive sufficient funding to increase the compensation of your infant/toddler workforce (either in base wages or in bonus/supplements) to meet the wage levels in the Balancing the Scales statewide wage scale report, published October 2023. (ECIC will provide technical assistance to support grantees with this goal.)
    - Premium pay, or costs, for employee recruitment and retention, including but not limited to staff bonuses, wages, cost of insurance coverage, retirement, educational advancement, tuition reimbursement and child care costs for staff working directly with infants and/or toddlers receiving CDC Subsidy;
    - Tuition and/or copayment relief for families with infants and/or toddlers in care that receive CDC Subsidy;

- Minor facility maintenance or improvements that would allow me to increase the number of infants and/or toddlers in my care who receive CDC Subsidy;
  - Furnishing, materials, and curriculum to increase the number of CDC Subsidy supported infant or toddler slots or to improve quality of programming for infants and/or toddlers receiving subsidy;
  - Administrative or management costs associated with participating in the pilot, including but not limited to submitting monthly reports, participating in the evaluation, etc.
- Taxability of funds. I understand this funding is subject to IRS and state tax rules. Regarding federal tax rules, please contact the Internal Revenue Service for guidance. In some cases, funds used to cover operating expenses may be exempt from taxation. Please consult your tax preparer as needed.
- Funds must be expended by **September 30, 2024**.
- I agree to **spend funds appropriately, be fiscally responsible, and retain accurate documentation**.
  - All child care programs/providers that receive funds may be subject to monitoring review and may be required to submit supporting documentation. I agree to provide information and supporting documentation as requested in a timely manner.
  - Please keep all receipts and documentation for spending. Supporting documentation for all expenses must be retained for a period of four years. ECIC and MiLEAP reserve the right to investigate any suspicion of misuse of funds by requesting receipts and documentation of spending.
- I agree to notify ECIC of a **permanent program closure**.
  - ECIC will be promptly notified of any changes to information provided in this application including the closure of the child care program or inability to serve children receiving CDC Subsidy within 3 months. Such notifications can be sent to [ITQIGrants@ecic4kids.org](mailto:ITQIGrants@ecic4kids.org).
  - Permanent closure of the program will disqualify the program from receiving additional funds. If the program has a license change but no lapse in care, please email [ITQIGrants@ecic4kids.org](mailto:ITQIGrants@ecic4kids.org) as soon as possible so that we can assure no loss of funding.

I understand that I must complete the required reporting associated with the grant award reporting allowable expenses incurred for which I have documentation/receipts on file, spent between December 2023 and September 2024. I must submit a report for each grant payment received on or before the 10th of the following month in order to receive the next payment of my award. All reports will be required no later than September 30, 2024.

Reporting requirements will be posted at [www.greatstarttoquality.org/grants](http://www.greatstarttoquality.org/grants) and will be collected here in [Great Start to Quality](#). Providers will be able to receive support with their reporting requirements by contacting the ITQI Grants team [at ITQIGrants@ecic4kids.org](mailto:ITQIGrants@ecic4kids.org)."

## Usage of Funds

### Eligible Expenses

This grant is intended to do three things.

- 1) Support pay equity for infant and toddler staff
- 2) Increase the quality of infant/toddler programs
- 3) Increase availability of infant/toddler CDC Subsidy slots.

To that end, the following categories are allowable uses of these funds.

Remember that all funds must be used for programs that benefit infants and toddlers receiving CDC Subsidy.

Please note, this list is not exhaustive. Contact the ITQI team with questions at [ITQIGrants@ecic4kids.org](mailto:ITQIGrants@ecic4kids.org) :

- Infant and Toddler Personnel costs including salaries, bonuses, payroll taxes, fringe.
  - Personnel must be involved in the direct care of infants and toddlers that receive CDC Subsidy.

- **For the purposes of this grant, funds cannot be used to pay for contractors. Anyone supported must be a legal employee who receives a W-2 and has employment taxes withheld from their pay by the program.**
- Paying infant/toddler staff wages while they study for their CDA or other credentials. Eligible staff must care for infants/toddlers who receive CDC Subsidy.
- Facility maintenance and improvements that are minor renovations and would allow you to increase the number of infants/toddlers in your care who receive the CDC Subsidy (example: hand washing stations). Renovations and improvements that do NOT directly impact the number of infant/toddler slots are NOT eligible for this grant.
- Goods and services to increase the number of CDC Subsidy receiving infants/toddlers in your care (example: cribs, infant/toddler curriculum).

### **Would Vehicle Costs be an allowed expense?**

- No. These funds cannot be used for any vehicle expenses.

### **Will programs be required to waive the state subsidies or parent payments for infants/toddlers if receiving the grants?**

- No. This grant is meant to supplement your state subsidy.
- You may choose to use the funds to waive the family copay, but that is NOT an expectation.

### **What does “caring for a child with special needs” mean?**

- For the purposes of this grant, the child with special needs must be birth to 35 months AND fall into one of the below categories:
  - A child with a disability, as defined in section 619 of the Individuals with Disabilities Education Act (20 U.S.C. 1401);
  - A child who is eligible for early intervention services under part C of the Individuals with Disabilities Education Act (20 U.S.C. 1431 et seq);
  - A child who has received an IFSP.

### **Is the Grant Award Considered Taxable Income at the State and Federal Level?**

- Yes. The Infant and Toddler Quality Improvement Grant is considered income and is taxable. Programs that are awarded a grant will receive an IRS Tax Form 1099-NEC. This funding is subject to the same tax rules as regular CCDF funding. State tax rules apply.
- The first payment of the ITQI Grant will be sent to providers in December of 2023. That means that you will receive tax documentation for one payment in 2023 and nine in 2024.
- Regarding federal tax rules, please contact your tax preparer or the Internal Revenue Service for guidance. In some cases, funds used to cover operating expenses may be exempt from taxation.
- We strongly urge you to talk with your tax preparer to create a plan for how to estimate the tax implications for planning purposes.
- Beyond this, ECIC staff are not accountants and cannot offer further tax guidance.

### **Can these funds be used to pay for taxes.**

- These funds can be used for payroll taxes.
- They **cannot** be used for income or property taxes.

## Can I improve my space?

- Any changes to the space that are minor renovations must be to directly increase the number of subsidy receiving infants and toddlers your program may care for at a time.
- Allowable changes include things like adding a handwashing station. Any major renovations are strictly prohibited by the funding source.
- “Major renovations” is 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. Major remodeling is not allowed for these funds.
- Any improvement or upgrade to a facility that is not specified under the definition of major renovation may be considered a minor renovation and may be allowed if it will increase the number of infant and/or toddlers receiving CDC Subsidy your program can enroll. Please contact the grant team at [ITQIGrants@ecic4kids.org](mailto:ITQIGrants@ecic4kids.org) if you wish to make improvements to your space so we can determine if they are allowed before you spend funds on them.

## When do I need to spend these funds?

- Funds do not need to be completely spent each month.
- All ITQI Funds must be spent no later than September 30, 2024.

## What if I can't spend all my grant award by September 2024?

- Please contact the ITQI team to see if there are other eligible expenses you have not considered! You can always pay your staff bonuses with the remaining funds, so long as you pay them before the end of the grant period.

## Am I required to submit supporting documentation or records?

- If you indicated you care for a child with special needs on your application, you must submit an IFSP or Early On document **by 1/10/24** by loading it to the Documents tab with your first grant report.
- If you indicate that you have or are applying for GSRP, your participation will be verified through MiLEAP in December. You do not need to document this yourself.
- Changes to subsidy numbers will also be verified directly with MiLEAP.
- You must maintain records that support your grant application and the use of funds for **four** years if they are requested for an audit or other purposes. To help with record keeping the best practice would be to upload your receipts and documentation into the system as the money is spent. We strongly encourage you to utilize this option to help support any audits that may occur.
- This documentation can be uploaded to your GSQ Profile so that you do not have to worry about it in the future.
- Full documentation should include dates and a description of the the spending and proof of the spending (bank statements/cleared checks).
- Payroll should include names, dates and taxes paid.
- Special Needs documentation should include dates and descriptions of need, in an official form. Personal information regarding the child (names/address) can be redacted for privacy.
- Documenting education advancements of staff should include certificates or transcripts of the employee and include dates, which must take place during this project.

- Home providers documenting their wages, should include a check each month, making sure to note what the check is for on the memo line, and then keeping documentation of that check being processed through the bank, and showing the Schedule C for your business taxes reflecting the profit for your business, so that the wages received do not surpass that amount.
- Please remember, **check carbons and copies of checks are not legal documentation on their own**. These are for your personal use, but copies of cancelled checks should be used, or bank documents included in the documentation to verify the checks were processed and the transactions occurred.

### **Job Board Link for posting open positions.**

- <https://greatstarttoquality.org/job-board/>

## **Various Provider Questions**

### **What are some things I can do to recruit new Subsidy children?**

- Make sure your enrollment numbers are up to date in GSQ. You will receive a First Friday text each month. Responding to the text will automatically update your numbers.
- Reach out to your resource center and let them know you are in the pilot and would like referrals.
- Reach out to [ITQIGrants@ecic4kids.org](mailto:ITQIGrants@ecic4kids.org) and let us know you are looking for referrals.
- Other ideas and supports will be offered throughout the pilot and shared via email/text message.

### **Do kids that age past 35 months during the 10 months cut your funding that was figured during the application process?**

- Not directly, however they will no longer be on your subsidy count. When we look at slot counts quarterly, if your numbers decreased, it may require that we remove slots from your award.

### **What about a provider that may re-rate during the 10 months, if they rated lower than their current level will that decrease their funds?**

- Will not impact the award.

### **If you add a child who participates with CDC under 35-months that was not previously part of the grant figure does that increase, your amount of the grant award?**

- Maybe.
- If your total I/T subsidy enrollment increases at our quarterly report, we may add slots to your award.
- If your total I/T subsidy enrollment increases at our quarterly report, we may pay a bonus.
- All additional slots/bonuses will be determined by available funding.

### **What if we are unable to find a "new" CDC receiving child by January 10<sup>th</sup> but find and fill the spot after that deadline if we said we would fill the spot how does work?**

- Currently, we plan to compare subsidy numbers for January and February in mid-March, so you have two months to increase your enrollment of I/T receiving subsidy.
- Please be sure to submit your subsidy bill at the end of each month, **DO NOT WAIT AND BACK BILL!**

- If, come March, you have not increased your subsidy enrollment numbers to match the expansion slots, we will reallocate them to programs who can fill them.

### **If we pay this out in bonuses how will that reflect an increase in hourly wages on future reports? Will there be a section in the reporting for hourly wages and bonuses or will they just ask about hourly wages.**

- We will be asking about both, to get a sense of overall compensation.

### **Can you share the monthly report we will need to complete?**

- The monthly report will be available after January 4, 2024.
- It will be a table in GSQ, available on the Report Tab for the grant. You can complete it directly in GSQ.
- For ease, it will also be texted to the cell phone number you have listed in your GSQ profile and will consist of a few short “yes or no” questions:
  - **Did you increase staff compensation?**
    - 1 = Yes
    - 2 = No
  - If yes,
    - 1 = bonuses
    - 2 = for wages
    - 3 = for both
  - **What else did you spend the money on?**
    - 1 = staff benefits
    - 2 = minor improvements to increase i/t slots
    - 3 = copays for i/t subsidy families
    - 4 = i/t materials
  - **Did you enroll any new infants or toddlers from subsidy families?**
    - 1= Yes
    - 2= No
  - If yes,
    - 1= one infant or toddler
    - 2= two infants or toddlers
    - 3= more than two new I/T

### **Home Provider- Wages**

- Documenting pay for a home provider can be done with a check each month, making sure to note what the check is for on the memo line, and then keeping documentation of that check being processed through the bank, and showing the Schedule C for your business taxes reflecting the profit for your business.
- Infant and Toddler Personnel costs including salaries, bonuses, payroll taxes, fringe. Personnel must be involved in the direct care of infants and toddlers that receive CDC Subsidy. **For this grant's purposes, funds cannot be used to pay contractors. Anyone supported must be a legal employee who receives a W-2 and has employment taxes withheld from their pay by the program.**
- So, yes you can use funds from this project to pay yourself. Just be sure to document it.

### **What if I close after receiving the funds?**

- All closed programs will be required to submit documentation of their fund use.
- Closure of the program will require the return of all unspent funds within 30 days after the closure. We encourage you to spend down all funds on allowable expenses before closing your program.
- Programs that close a license but open a new one with no lapse in care need to notify the ITQI Grant team at [ITQIGrants@ecic4kids.org](mailto:ITQIGrants@ecic4kids.org) so that we can make adjustments in the payment of your award as soon as you know your license is changing.

### **Schedule time with Laura**

- To schedule time with Laura Fuller, Project Manager, to discuss issues specific to your program, you can schedule a 15- minute appointment via this link: [Laura Fuller's Scheduler](#)

### **Do you know if there's a chance it could be continued if it produces the results the state is looking for? If so, would we have to reapply?**

- If the program is successful and funding is continued, current participants will NOT have to reapply.