2024-25 Child Care Start Up and Expansion Grant
Additional Information and Frequently Asked Questions (FAQ)

1.0 PROVIDER ELIGIBILITY

1.1 Who is eligible for the 2024-25 Child Care Start Up and Expansion Grants?

To be eligible for a grant, a provider must be located in one of the selected ELRC regions (1, 2, 3, 6, 8, 9, or 10) and meet the following requirements both as of Monday, December 2, 2024, and at the time the Grant payment is issued by the ELRC:

1) The provider holds at least one of the following:
    - A **regular** Certificate of Compliance issued by OCDEL.

    - A **provisional** Certificate of Compliance issued by OCDEL for initially opening for operation*.
      *Providers on a provisional Certificate of Compliance due to a negative sanction or other disciplinary action issued by OCDEL are not eligible.

    - An active private academic nursery school license issued by the Pennsylvania Department of Education (PDE).

    - A current federal Head Start and/or Early Head Start grantee within the commonwealth.

2) For providers in Keystone STARS, Pennsylvania's Quality Rating and Improvement System (QRIS), their current Keystone STARS designation cannot be in a suspended status.

3) The provider does not have an open referral to the Office of Attorney General (OAG) or an ongoing repayment plan with an ELRC for fund recoupment associated with ARPA Stabilization Grants, Workforce Support Grants 1.0, Workforce Support Grants 2.0, and/or 2023-24 CQI Awards.

4) The provider does not owe any liens to or have outstanding liabilities with the commonwealth.

Providers who meet the above eligibility criteria as of Monday, December 2, 2024, but fail to meet the above criteria at the time of payment by the ELRC will be considered ineligible.

1.2 Are relative Child Care Works (CCW) providers able to receive a 2024-25 Child Care Start Up and Expansion Grant?

No, relative CCW providers are not eligible for this Grant.

1.3 Are providers only eligible to apply for the Grant if they are located within ELRC Regions 1, 2, 3, 6, 8, 9, or 10?

Yes. Eligible providers must be located in one of the selected ELRC Regions (1, 2, 3, 6, 8, 9, or 10). An application must be submitted to an eligible provider's ELRC, and grant activities must occur within that ELRC region.

Example: In addition to operating their current DHS certified child care center in Lawrence County (ELRC 3), an eligible provider intends to open a new program in Southern Butler County (ELRC 3).

1.4 If I have not yet completed my reporting requirements or my repayment requirements of funds owed for the ARPA Stabilization Grants, Workforce Support Grants 1.0, Workforce Support Grants 2.0, and/or 2022-23 CQI Awards and I want to do so now, what should I do?

Providers should reach out to their ELRC as soon as possible to discuss options but no later than January 31, 2025.

1.5 How can I demonstrate that I have fulfilled any state tax liens/liabilities that I previously owed and may now meet the eligibility requirements for a 2024-25 Child Care Start Up and Expansion Grant?

Tax Clearance Certificates should be available through the PA Department of Revenue or at the provider's County Prothonotary Office and then presented to the ELRC to demonstrate fulfillment on or before January 31, 2025.

1.6 My program has been issued a provisional Certificate of Compliance, but I am appealing the decision and am currently in an appeal process on December 2, 2024. Is my program eligible for this Grant?

No, your program is not eligible as you currently do not hold a regular Certificate of Compliance from OCDEL-Certification on December 2, 2024. The only instance in which a program on a provisional Certificate of Compliance is eligible to apply for this grant is if the certificate is an initial provisional issued to newly opened programs.

1.7 I am in Keystone STARS. Does my designated STAR level effect the amount of grant funding I am eligible to receive?

No, the Child Care Start Up and Expansion Grant amount is not affected by an eligible program's STAR level.

1.8 If my program is only open during the summer, are we still eligible to apply for a 2024-25 Child Care Start Up and Expansion Grant? We will not be serving children at the time we would receive the Grant payment.

Yes, if your program meets all other eligibility criteria at time of application and at time of grant payment by the ELRC, you are eligible to apply for a Child Care Start Up and Expansion Grant.

1.9 Are programs that meet all eligibility criteria but only serve PA Pre-K Counts (PKC), Head Start State Supplemental Program (HSSAP), and Infant-Toddler Contracted Slots Program (ITCS) children eligible to apply for a Child Care Start Up and Expansion Grant?

Yes, if the program holds at least one of the following and meets all other eligibility criteria:

- A **regular** Certificate of Compliance issued by OCDEL.
- A **provisional** Certificate of Compliance issued by OCDEL for initially opening for operation*.

  *Providers on a provisional Certificate of Compliance due to a negative sanction or other disciplinary action issued by OCDEL are not eligible.

- An active private academic nursery school license issued by the Pennsylvania Department of Education (PDE).
- A current federal Head Start and/or Early Head Start grantee within the commonwealth.

1.10 I am currently a PA Pre-K Counts (PKC) provider. Am I eligible to apply for a Child Care Start Up and Expansion Grant?

Yes, PA PKC providers are eligible for a Child Care Start Up and Expansion Grant if they meet one of the following PA PKC provider types:

1. DHS-Certified Child Care Center
2. PDE Private Academic Licensed Nursery School
3. Current federal Head Start and/or Early Head Start grantee within the Commonwealth.

PA PKC programs that are operated by a School District are not eligible for the grant.

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2.0 CHILD CARE START UP AND EXPANSION APPLICATION

2.1 When are applications for the Child Care Start Up and Expansion grants due to the ELRC?

Eligible providers who are interested in applying for a Child Care Start Up and Expansion Grant must complete a grant application and submit to their ELRC no later than Friday, January 31, 2025. Applications received after January 31, 2025, will be considered ineligible.

2.2 Where can providers find a copy of the Child Care Start Up and Expansion Grant application?

For reference, a copy of the Child Care Start Up and Expansion Grant application is available here.

2.3 Are electronic signatures on the Child Care Start Up and Expansion Grant application permitted?

Yes, an electronic signature is acceptable when completing and signing the Child Care Start Up and Expansion Grant application.

2.4 What if I have questions about my eligibility to apply for a Child Care Start Up and Expansion Grant?

Beginning December 5, 2024, providers who have questions about their eligibility to apply for a Start Up and Expansion Grant should contact their ELRC. ELRC contact information can be found here.

2.5 Are any of the Child Care Start Up and Expansion Grant documents available in Spanish?

Yes, the following documents will be available in Spanish:

- Child Care Start Up and Expansion Grant Application
- Child Care Start Up and Expansion Grant Additional Information and FAQ

2.6 What if I do not know my Federal Employee Identification Number (FEIN)?

Providers can look to the following resources for help in finding their FEIN:

- Providers can check their tax returns for their FEIN.

- Providers may find their FEIN on certain business documents.

- Providers can contact IRS Business and Specialty Tax Line at 800-829-4933 for help in locating their FEIN.

2.7 What if I do not know my Master Provider Index (MPI)?

Providers can look to the following resources for help in finding their MPI:

- For certified child care providers, their MPI is available on their Certificate of Compliance.

- For Head Start Supplemental Assistance Programs (HSSAP) and PA PKC providers, their MPI number is available on Early Learning Network (ELN).

- For Head Start Supplemental Assistance Programs (HSSAP) and PA PKC providers, they can also reach out to their PKC specialist for assistance.

Note: Head Start programs and Private Academic Licensed Nursery Schools may not have an assigned MPI number. These providers should complete the application specifically designated for their provider type which does not require a MPI number.

2.8 Can eligible providers later rescind their application of a Child Care Start Up and Expansion Grant?

Yes. Providers may rescind their signed application for a Start Up or Expansion Grant by contacting their ELRC as soon as possible.

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2.9 Can providers later rescind their executed Start Up and Expansion Grant Agreement?

Providers who have executed their Grant Agreement and later wish to rescind their acceptance should contact their ELRC as soon as possible.

2.10 Can providers later rescind the Start Up and Expansion Grant funds once received?

Providers who have already received grant funding and wish to return all or part of the amount may do so by contacting their ELRC for further instructions.

2.11 If a provider's Certificate of Compliance is in a 'Revocation or Refuse to Renew' status by OCDEL Certification AFTER a Child Care Start Up and Expansion Grant application has been submitted, will they still be eligible?

If the ELRC has not yet made payment when the 'Revocation or Refuse to Renew' status has been declared by OCDEL-Certification, the provider will be found ineligible and will not receive grant funds.

2.12 Can a provider submit a change to their Start Up and Expansion grant application after the application has been received by the ELRC?

No, providers cannot make changes to an application once it has been submitted to their ELRC. ELRCs will begin reviewing applications as soon as they are received and therefore cannot accommodate changes to applications.

2.13 Can the term application submission date be clarified? For example, is it the email received date, the postmark on a letter delivered by USPS, or is it the signature date?

The term application submission date is the date the ELRC receives the Child Care Start Up and Expansion Grant application via email, fax, or via USPS as validated with a postmark. It is <u>NOT</u> the date that a provider signs the application.

Example: ABC Child Care completes and signs their Child Care Start Up and Expansion Grant application on December 12, 2024. They email the application to the ELRC on December 14, 2024. The application submission date for ABC Child Care will be considered December 14, 2024.

Example: 123 Child Care completes and signs their Child Care Start Up and Expansion Grant application on December 30, 2024. They place their grant application letter in the mail (USPS) on January 2, 2025. The letter is postmarked January 4, 2025, by the USPS. The application is received by the ELRC on January 6, 2025. The application submission date for 123 Child Care will be considered as January 4, 2025.

2.14 I am an Administrator of a large legal entity with five certified child care centers in Cumberland County (ELRC 9). I would like to apply to open two new child care centers in the county (Type 3 Start Up Grant). Am I able to do so and if so, how would I apply?

Yes, large legal entities with existing programs within the selected ELRC regions can apply for Child Care Start Up and Expansion Grants (Type 3 -Start Up Grants). In this case, the Large Legal Entity Administrator would complete two applications using information from two of their five current locations within ELRC 9.

2.15 I am a federal Head Start grantee with two locations in Bedford County (ELRC 6). Could I use grant funding to make these locations DHS certified child care programs. Am I able to do so and if so, how do I apply?

Yes, Head Start grantees can apply for a Type 1 Conversion Grant for each eligible location in the selected ELRC region (1, 2, 3, 6, 8, 9, and 10). In this case, the Head Start grantee would submit two separate applications to ELRC 6; one for each location.

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2.16 I am a Head Start location offering both Head Start and PDE nursery school programming. I intend to apply for a grant to add certified child care services to my program. Will I need to relinquish my Head Start and PDE nursery school programming if I receive a grant?

No, providers will not need to relinquish their Head Start and/or PDE nursery school programming. The intent of the grant is to include certified child care in their current programming.

2.17 The Project Overview (Section 4) is an important part of the Grant Application, worth 40 points. What kind of information should I include in this section to achieve a high score?

Providers are required to provide a detailed summary of their plan to utilize grant funding. Applicants should include specific information about each of the following in their Project Overview, if applicable:

- What type of grant are you applying for and how will this help expand child care availability in the selected ELRC region? How will this grant support additional child care options for families?

- What is the current scope of child care availability in the community where the proposed grant activities will take place? Provide an overview of options for child care in the community you serve or plan on serving.

- Planned purchases – What types of materials and equipment do you plan to purchase with grant funds and how will these materials and equipment be used in your program?

- Minor renovations – What type(s) of renovations do you plan to complete using grant funds? How will these renovations support increased child care capacity in the program?

- Hiring additional staff – Will you use funds for sign on bonuses? If so, what staff positions do you hope to fill using sign on bonuses? What recruitment strategies will you use to find qualified staff?

- Business Practices – What types of purchases will you make with grant funding to support your business practices?

- How will you sustain funding after the grant funds are expended? Explain your plans to continue offering child care to families once the grant funding is depleted.

Example #1 (Detailed, well-written Project Overview): Our program, ABC Child Care is applying for a Type 2 Expansion Grant. A recent survey conducted by the Chamber of Commerce revealed that families are struggling with finding affordable care for young children. With grant funding, we aim to enhance our current offerings and address unmet needs of our community by creating two additional classrooms and purchasing necessary supplies. We will use $10,000 for Minor Renovations, which includes repainting classrooms, upgrading restrooms for accessibility, and enhancing outdoor play areas to better accommodate our growing number of children. We plan to allocate $5,000 towards Materials and Equipment for age-appropriate educational materials and supplies, including books, art supplies, and STEM kits. Finally, we plan to use $4,300 in Personnel Costs which will support us in hiring 2 new teaching staff, offering each a $2,000 sign-on bonus, and covering their required clearances. We will work with the local community college to identify recent ECE major graduates and/or students who will be graduating soon. Ongoing, we hope to partner with other community agencies to foster partnerships to secure additional funding and resources, including sponsorships for events and programs.

Example #2 (Project Overview that lacks details and clarity): Our program, ABC Child Care, is requesting $20,000 in grant funds. We hope to increase our licensed capacity and will use the funds to support this activity. We hope to hire new staff and buy materials.

2.14 Can you provide additional details on how I submit a Budget as part of my application?

Providers must use Appendix A: Budget to complete their *Requested Budget*, listing expenses appropriately by category and ensuring total expenses do not exceed the amount of grant funding. Providers will complete the Column labeled *Requested Budget* and sign Appendix A: Budget in the appropriate signature section. The

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screenshot below shows a portion of [Appendix A: Budget](#) with the *Requested Budget* column circled.

2024-25 Child Care Start Up & Expansion Grants				
Appendix A - Budget Request				
Provider Name:		Grant Type:	Type 1- Conversion Grant: Converting From Family to Center	
MPI-SL:		Maximum Grant Amount	$	40,000.00
Application Prepared By:		nt Issued by ELRC	$	21,950.00
Grant Budget Categories		**Requested Budget**	**Revised Budget**	**Actual Spent/FER**
Indoor Health and Safety SUBTOTAL		$ 200.00		
Outdoor Health and Safety Equipment				
Large Play Area (New Playground Equipment)		$ 4,000.00		

The screenshot below shows the signature portion of [Appendix A: Budget](#) that will need to be signed by a provider when submitting Appendix A as part of their application.

Affidavit: An affidavit is a sworn statement of fact. By signing this affidavit, you are saying that the information you entered in this form is true. The affidavit is the legal way to swear that your statements are fact. Your signature below validates the information you entered on the form as true, correct, and complete to the best of your ability, knowledge, and belief. You also agree that you understand that your information may be shared with the Office of the State Inspector General or other local, state and federal agencies. Further, you agree that you understand that the penalty for false swearing (affirming false information to mislead a public servant) is a misdemeanor of the third degree pursuant to Title 18, Section 4903(b) of the PA Crimes Code and that you can be penalized by fine, jail, prison, subsidized child care ineligibility, or a mixture of these four for making any false statements.

	Authorized Provider Signature	Date	Authorized ELRC Signature	Date
Requested Budget				
Revised Budget				
Actual Spent/FER				

2.15 Can I submit my Requested Budget using a format other than through [Appendix A: Budget](#)?

No, providers must use [Appendix A: Budget](#) to submit their Requested Budget as part of their application. Budgets submitted on formats other than [Appendix A: Budget](#) will receive a score of 0 in Section 5: Budget of the Scoring Rubric.

3.0 ELIGIBLE EXPENSES

3.1 Can grant funds be used for ongoing operating expenses?

No, ongoing operating expenses are not an eligible expense category for this grant.

3.2 Are indirect costs allowable with this grant?

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Federally approved and/or corporate indirect cost rates assessed to affiliated programs are not permissible for the Grant.

3.3 Can I apply the 2024-25 Child Care Start Up and Expansion Grant funds to eligible expenses I incurred in April 2024?

No. Start Up and Expansion Grant funds can only be used for eligible expenses incurred between July 1, 2024, and May 30, 2025.

3.4 I am interested in offering non-traditional care at my program because there is a need for such services in my community. How is non-traditional care defined?

Non-traditional care is defined as care provided from 6 pm through 6 am on weekdays (Monday through Friday) and any time on weekends. Grant funds could be used for eligible expenses incurred by a provider in offering non-traditional care.

3.5 I am a certified Family Child Care home (FCCH) in ELRC 1. How could I use this grant opportunity?

The following are some examples of how this program could use grant funding:
- Expand operating hours at the current location to offer non-traditional care to include cots and other equipment for this purpose.

- Convert current location to a certified Group Child Care Home or a certified Child Care Center.

- Purchase materials or equipment to maximize current licensed capacity at current location such as purchasing additional health and safety equipment and materials.

4.0 GRANT BUDGETS AND GRANT AGREEMENTS

4.1 I am proposing to use some grant funds to do some Minor Renovations, some of which may cost $5,000 or greater. Am I required to obtain more than one bid for these projects?

Yes, providers must obtain a minimum of two qualified comparative written price quotes or estimates for any single purchase with an estimated cost of $5,000 or greater. The price quotes must be maintained on file by the provider. In the event a provider chooses not to select the lowest price quote, the provider must create a written justification and maintain this justification with their records for audit purposes.

4.2 How broad or specific should each line item be in my Requested Budget?

Providers have significant flexibility in structuring their Requested Budget as part of their application. They can either group similar expenditures into a single line item for use across different classrooms or program areas (e.g., Safety - smoke detectors, carbon monoxide detectors, security cameras) or organize the budget by the specific classroom(s) that will benefit from the grant. Providers should not list individual items as separate line items (i.e. box of crayons, construction paper) unless they are large in scale (i.e. handwashing station). Instead, items that are similar should be grouped together as a single line item to minimize the need for Revised Budgets. In the example above, the box of crayons and construction paper could be included in a more general line item of "Consumables" under the "Materials and Supplies" grant category.

4.3 Can you show some examples of how line items can be entered and grouped together on a Budget?

The following examples illustrate how line items can be grouped together.

Example #1: In the following screenshot, the provider has grouped several items together as a single line item for Classroom #1 (Door locks, cabinet locks, etc.) rather than listing each item as a separate line item for Classroom #1.

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Grant Budget Categories	Requested Budget	Revised Budget	Actual Spent/FER
Indoor Health and Safety Equipment			
Classroom #1 (Door locks, cabinet locks, electrical outlets)			
Indoor Health and Safety SUBTOTAL	$ -		

Example #2: In the following screenshot, the provider has grouped all Flooring Upgrades together as a single line item even though they will be used in 3 different classrooms. In addition, the provider has grouped drywall installation and painting together as a single line item even though they will be used in 2 different classrooms.

Grant Budget Categories	Requested Budget	Revised Budget	Actual Spent/FER
Minor Renovations			
Flooring Upgrades (Classroom #1, Classroom #2, New Classroom)	$1,000		
Window Replacement (New Classroom)	$1,000		
Drywall Installation and Painting (Classroom #1 and Classroom #2)	$2,000		
Minor Renovations SUBTOTAL	$ 4,000.00		

Example #3: In the following screenshot, it should be noted that the line items are fairly broad in nature. For example, there is a single line item for all learning activity toys rather than listing each type of learning activity toy as single line items. Similarly, the provider listed all Consumables as a single line item (construction paper, crayons, paint) rather than listing each type of consumable as a single line item.

Materials & Equipment				
Learning Activity Toys (Puzzles, Manipulatives, Games) (New Classrooms #1 and #2)	$ 750.00			
Consumables (Construction paper, crayons, paint) (New Classrooms #1 and #2)	$ 2,000.00			
Furniture (Tables, chairs, bookcase) (New classrooms #1 and #2)	$ 1,500.00			
Materials & Equipment SUBTOTAL	$ 4,250.00			

5.0 REVISED BUDGETS AND GRANT AGREEMENT AMENDMENTS

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5.1 What if I need additional grant funds after I sign and return my grant agreement to my ELRC?

Providers who receive a grant and need additional funding can submit a Revised Budget to their ELRC. The additional funds requested (plus the original grant amount) cannot exceed the maximum allowable grant amount outlined in [Policy Announcement 24-03](). If the ELRC has remaining available grant funds, they have the discretion to process/approve the Revised Budget and additional funding. In these cases, the ELRC will need to complete a Grant Agreement Amendment and send to the provider. The ELRC will release additional grant funding only after the Grant Agreement Amendment is signed and returned by the provider.

5.2 What if I need to adjust my approved Requested Budget across Budget categories? For example, what if I need less funding for Minor Renovations but more for Indoor Health and Safety Equipment?

Providers who want to make adjustments across Budget Categories will not need to submit a Revised Budget unless they are requesting an increase in overall grant funding or to purchase an item(s) not included in their approved Requested Budget where the estimated cost of a single new line item exceeds $1,000 or more.

Example: Provider XYZ was approved for a grant. Their approved Requested Budget included $5,000 for Minor Renovations (Flooring, paint, drywall) and $3,000 for Indoor Health and Safety Equipment. During the grant period, the provider realizes that only $4,500 is needed for Minor Renovations but $3,500 is needed for Indoor Health and Safety Equipment (door locks, security cameras, etc.). The provider will not need to submit a Revised Budget as they are not requesting any additional funding and none of the single line items added to the Indoor Health and Safety Equipment category is estimated to cost $1,000 or more. Rather, the provider will report these changes on their Final Expense Report (FER).

5.3 If I have minor adjustments within a single Budget Category, do I need to complete a Revised Budget?

Providers who wish to make minor adjustments within line items in a single Budget category will not need to submit a Revised Budget to the ELRC unless they are requesting additional grant funding or adding new line items(s) where the estimated cost of a single new line item exceeds $1,000.

Example #1: Program ABC was approved for a grant. Their approved Requested Budget includes a total of $10,000 in the Minor Renovations Budget Category with the following line items:

- $5,000 for new flooring,
- $3,000 for painting, and
- $2,000 for dry wall installation.

During the renovation process, the estimated costs change; painting costs decrease to $2,700 and dry wall installation costs increase to $2,300. Program ABC does not need to submit a Revised Budget to the ELRC as they are not requesting any additional grant funding nor are they adding any new line items where the estimated cost of a new line item exceeds $1,000. Instead, Program ABC will report the changes in the costs of line item(s) on their FER.

5.4 I want to purchase a handwashing sink with an estimated cost of $1,500 that was not included in my approved Requested Budget for Indoor Health and Safety Equipment. At the same time, I have decided to decrease my spending in Materials and Equipment by $1,500 so my overall amount of grant funding will not change. Do I need to submit a Revised Budget to my ELRC for approval for the handwashing sink?

In this case, you would need to complete and submit a Revised Budget to your ELRC for approval as the amount of the line item (handwashing sink) you are requesting to add has an estimated cost of $1,000 or more. You should wait to have your Revised Budget approved by your ELRC prior to purchasing the handwashing sink.

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5.5 What if I discover that I will be unable to spend all of my grant funds and would like to return those funds prior to submitting my Final Expense Report (FER)?

If you discover you will not be able to spend all of your grant funds at any point prior to submitting your FER, you should contact your ELRC for next steps. In most cases, you will be directed to report and submit the unspent funds with your FER. The FER will effectively serve as your final budget.

ADDITIONAL CHILD CARE START UP AND EXPANSION GRANT INFORMATION

The following resource documents may be helpful:

- [Approved Curriculum and Developmental Assessment Information for Keystone STARS (updated September 2024)](#)
- [Child Care Start Up and Expansion Grant ELRC Submission Information](#)
- [DHS Certification Offices and Contact Information](#)

Eligible Expenses

Eligible providers can use grant funds for eligible expenses in six grant categories. Examples of eligible expenses in each category are provided below, but do not reflect an exhaustive list. The exception is the sixth category (Personnel Costs) in which there are only three allowable expenses. **Grant funds can be applied to eligible expenses incurred from July 1, 2024, to May 30, 2025.**

- **Indoor Health and Safety Equipment**
  - First aid items.
  - Smoke and carbon monoxide detectors.
  - Hand washing stations.
  - Diaper changing stations.
  - Child safety equipment including gates, cabinet locks, door knob covers.
  - Cameras to monitor new classroom(s).
  - Mobility aides.

- **Outdoor Health and Safety Equipment**
  - Age-appropriate playground equipment.
  - Evacuation cribs.
  - Strollers or buggies.
  - Playground surface improvements.
  - Fencing.
  - Shade sails and prefabricated shade solutions.
  - Adaptive playground equipment.

- **Minor Renovations***
  - Flooring and ceiling upgrades.
  - Interior partition construction or removal (non-load-bearing walls only).
  - Drywall repair and painting.
  - Door or window replacement.
  - Adding insulation to an unfinished space.
  - Adding a sink or lavatory to an area where plumbing is already available.
  - Addition of wheelchair ramp.
  - ADA compliant restrooms.
  - Facility kitchen upgrades.

    *Major building construction or structural changes are **not** eligible expenses.

- **Materials and Equipment**
  - Curriculum materials.
  - Toys, consumables, and craft supplies.
  - Sleeping equipment for children.
  - Classroom furniture (chairs, desks).
  - Multi-lingual classroom materials.

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- o Communication and/or translation devices.
  - o Overnight supplies and equipment for non-traditional care.

- • **Business Practice Purchases**
  - o Upgrades to client management software.
  - o Administrative costs for enrolling new families.
  - o Permits, zoning variance fees, etc.

- • **Personnel Costs: Limited to $5,000 per grant and limited to the following three expenses:**
  - o Sign on bonuses for new staff.
  - o Clearance checks for new staff.
  - o CPR and first aid training for new staff.

Ineligible Expenses

The Child Care Start Up and Expansion Grant <u>cannot be used</u> for any of the following expenses. Although the list is not exhaustive, the following is provided for general guidance.

- • Purchase of land, construction, and/or major renovations.

- • Purchase of gift cards, money orders, gift certificates, travel checks, and/or any other comparable legal tender.

- • Purchase of alcohol.

- • Purchase of vehicles.

- • Payment toward staff entertainment, including amusement, diversion, and/or social activities or any costs directly associated with such activities (such as tickets to shows or sports events, meals, lodging, rentals, transportation, and gratuities) that are not professional development related events.

- • Purchase of any second hand (used) items, including but not limited to those from individuals, yard sales and auctions.

- • Federally approved and/or corporate indirect cost rates assessed to affiliated programs.

- • Salary increases and bonuses for current staff and/or those who work solely in programs such as PKC, HSSAP, and ITCS.

Award Spending Requirements

Non-compliance with the requirements of the Child Care Start Up and Expansion Grant Agreement could result in the provider being required to return the Grant funds to their ELRC.

- • All Child Care Start Up and Expansion Grant Award funds must be expended by May 30, 2025.

- • All equipment/materials purchased through this Grant will be used strictly for purposes related to the operation of the child care program. Equipment/materials purchased through this Award may not be used for personal use or resale.

- • If a provider closes after purchasing equipment/materials with Start Up and Expansion Grant funds, they must contact the respective ELRC prior to closing. The ELRC will work with the program to redistribute any equipment/materials, with a useful life, purchased using Award funds to other providers.

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- If DHS or agent thereof discovers any equipment/materials purchased all or in part with the Child Care Start Up and Expansion Grant have been used for any illegal purpose, the Department reserves the right to recoup funds used for the purchase of the equipment/materials.

Award Reporting and Monitoring Information

While providers will not submit receipts to the ELRC (unless requested), providers must keep original receipts for their records. These receipts may be reviewed by the ELRC, OCDEL Program Representatives, and/or state/federal agents for auditing/monitoring purposes. All Grant-related documentation must be maintained for seven years.

- For monitoring purposes original receipts must have at a minimum:
    - A purchase date (from July 1, 2024, through May 30, 2025).
    - The name of the vendor or supplier.
    - Descriptions of purchased items.
    - Cost of each item and evidence of payment – the receipt must indicate balance due or, if paid, a balance due of $-0-. If the receipt or invoice shows a balance due, proof of payment must be provided either by cancelled check or a document indicating balance due of $-0-.
    - The sum of all receipts must equal or exceed the requested Child Care Start Up and Expansion Grant in the categories of Indoor Health and Safety Equipment, Outdoor Health and Safety Equipment, Minor Renovations, Materials and Equipment, Business Practice Purchases, and Personnel Costs.
    - If applicable, payroll receipts/documentation must include the date of payment and details of the payment given to the staff.
    - Program Staff sign on bonuses must be paid through payroll with appropriate payroll taxes (employee and employer) deducted*.

        *Family Child Care Homes or other providers that do not have a payroll will want to contact their ELRC to discuss potential options.
- Receipts may exceed the total amount of funds issued with the understanding that the provider is responsible to pay for balances out of the program's operating budget for amounts exceeding the Grant request.

Examples of Unallowable Receipt/Invoice Documentation

The following is a listing of documents that are unallowable as a receipt or invoice:

- Copies of general ledger posting records.
- Copies of check registers or listing of checks written by providers.
- Computer accounting record screenshots or other lists of data indicating payment.
- Documents that do not indicate Payee, date, amount paid, and description of items purchased or is not supported by a check or other form of payment.
- Receipts that appear to have been altered or changed in any way.
- Receipt documents that do not appear to be issued by a valid supplier or vendor.
- Purchase orders or vendor/supplier monthly statements reflecting purchases.
- Program Staff sign on bonuses paid outside of payroll with no appropriate payroll taxes deducted such as through business/personal check, Venmo, 1099 payments, and/or cash*.

    * Family Child Care Homes or other providers that do not have a payroll will want to contact their ELRC to discuss options.

Failure to Submit a Final Expense Report (FER) or Return Unspent Award Funds

Providers issued an Award must submit a FER and return unspent Award funds to their ELRC by the deadline (June 13, 2025). Providers who fail to meet the requirements will be subject to the Dunning Cycle as detailed in Commonwealth Management Directive 310.10. OCDEL's Dunning Cycle will consist of three letters informing providers of the spending and reporting requirements they agreed to in the Grant Agreement. Failure to respond to the Dunning Cycle will result in an additional letter informing providers of referral to OAG and if applicable, their Keystone STARS suspension. The OAG is statutorily authorized to collect delinquent debt for state agencies pursuant to 71 P.S. § 204(c).

Returning Funds - Repayment Plans

Repayment plans may be offered by an ELRC if a provider must return Grant funds to the Commonwealth. If a provider agrees to a repayment plan with an ELRC and misses a regularly scheduled installment, the provider will forgo the Dunning Cycle and be referred to OAG for recoupment.