



ARPA-CCDF **Stabilization SubGrant for Child Care Providers**

Frequently Asked Questions (FAQ's)

The American Rescue Plan Act (“ARPA”) was signed into law on March 2021, providing the Fort McDowell Yavapai Nation with additional funds designed to help stabilize the child care industry as the Tribe continues to recover from the COVID-19 pandemic. The goal of providing financial relief to child care providers is to help defray unexpected business costs associated with the COVID-19 pandemic, and to help stabilize their operations so that they may continue to provide care.

Below are answers to frequently asked questions regarding the ARPA-CCDF Stabilization Subgrant funding.

Q1. Who is administering these funds?

The Fort McDowell Yavapai Nation’s – ‘Hmañ ‘shawa ECDC Child Care Department.

Q2. What types of subgrants are available?

Stabilization subgrants are available to qualified and eligible child care providers to help promote, stabilize, and sustain the operation of the child care business sector.

Stabilization subgrants can **only** be used for operating expenses.

Q3. What can funds be used for?

Funds **must** be used for purposes allowed under the Federal guidelines, including:

- Personnel costs, including payroll, salaries, similar employee compensation, employee benefits, retirement costs, educational costs, child care costs; and supporting staff expenses in accessing COVID-19 vaccines.
- Rent (including under a lease agreement) or payment on any mortgage obligation, utilities, or insurance; also, may include late fees or charges related to late payments.
- Facility maintenance or improvements, defined as minor renovations, including outdoor learning spaces/playground, and minor improvements to address COVID-19 concerns.
- Personal protective equipment, cleaning and sanitization supplies and services, or training and professional development related to health and safety practices.
- Goods and services necessary to maintain or resume child care services.
- Mental health supports for children and employees.
- Health and safety trainings for staff, including but not limited to CPR, First Aid, and medication administration.

Q4. Can I use the funds for construction or major renovations?

No, funds may not be used for construction or major renovations. Major renovation means: (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.

Q5. Do grant funds need to be paid back?

No, subgrant funds are not a loan, so they won't need to be paid back unless due to a reason noted below.

Q6. How will I receive the subgrant funds?

Upon approval, by the Tribal Childcare Program, the payment will be submitted and processed by the Fort McDowell Yavapai Nation Finance Department, and checks can be picked up or mailed.

Q7. Will child care providers have to submit receipts to show how funds were spent?

Providers won't need to submit receipts, but providers are required to submit a monthly report on how you are spending the subgrant funds. The report can be dropped off at the Tribal Child Care Office, located at 18748 E. Ba Hon Nah Rd. Fort McDowell, Arizona 85264, or emailed to ALeBeau@fmyn.org, or mailed to PO BOX 17779, Fountain Hills, Arizona 85269.

Providers are **required** to maintain records on how funds were spent as your program could be selected for an audit. Per federal regulation requirements, all recipients of federal funds need to keep financial documents for seven years.

Q8. Are the Stabilization Subgrants taxable?

Stabilization Subgrants are considered income by the IRS. The IRS has published information indicating that "receipt of a government grant by a business is generally not excluded from the business's gross income under the Federal Tax Code and therefore is taxable." Please consult your accountant or tax professional to understand more about your particular tax situation and how this guidance applies to your specific business structure.

ARPA does not exempt the ARPA child care stabilization subgrant funding from taxation. Therefore, this funding is subject to the same tax rules as regular CCDF funding. State tax rules may apply. 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.

Q9. Will providers be receiving a 1099 for tax purposes?

Yes.

Q10. Is the data in the provider application about funding awards public information?

The Nation will not use providers confidential information for anything other than what's necessary for the purpose of the grant as permitted by law.

Q11. Under any circumstances will I have to pay the funds back?

You may have to pay funds back if your program closes permanently and you haven't spent all the received funds, you engage in fraudulent activity in the course of using your subgrant, or you are using the funds for an unallowable use.

Q12. What are the consequences for providers who applied for and received funds that are not following the funding requirements?

If there is an indication that a provider isn't using the Stabilization Subgrant funds for the purpose laid out by the federal government, it could result in termination of future subgrant payments, repayment of funds already received and/or an audit.

Q13. What do I do if I have applied for a subgrant and need to change something?

Send an email to Andrea LeBeau at alebeau@fmyn.org that includes your first and last name, Business Name, Business Provider ID and the subgrant that you want canceled or mail or drop off at the office. Your application will be canceled, and you will be able to re-apply.

Q13. How long do I have to spend the funds I receive?

Stabilization Funds: Every 30 days (with Expense report due by the 5th working day of the following month) for six (6) months.

Eligibility

E1. What type of child care programs qualified and are eligible to receive Child Care Stabilization Subgrant funds?

- Child Care Center
- Licensed Group Home
- In-Home Provider (Licensed)
- Relative Provider
- School-age Site

Qualified providers include child care providers that are open and available to provide child care services on the date they apply for a subgrant or are temporarily closed due to public health, financial hardship, or other reasons related to the COVID-19 public health emergency and plan to re-open in a timely fashion. They must meet applicable health and safety requirements and be in good standing throughout the funding period with the FMYN CCDF program to remain eligible.

E2. What is required of child care providers who accept subgrant funds?

If you are an eligible provider interested in applying for the Stabilization Subgrant, you must attest/certify to the items listed below each time that you apply/renew. **(See Application)**

1. My facility is open and operating a regulated or licensed child care program, OR my facility is temporarily closed as per SC or NC Department of Health advisement for COVID-19-related closure.
2. My facility serves Tribal children on an ongoing basis.

3. My facility will meet all child care rules and regulations according to my tribal license type.
4. My facility, when open and operating and available to provide child care, will implement policies in line with guidance from the Centers of Disease Control and Prevention (CDC) and with guidance and orders from state and local public health authorities.
5. For each employee at my facility on the day of this application, I agree that I must pay at least the same or higher amount in weekly wages and maintain the same or higher benefits for the duration of the subgrant period. I will not issue any involuntary furloughs, layoffs, etc. through the duration of the subgrant period.
6. To the extent possible, I will provide relief from copayments and tuition payments for the families enrolled at my facility. I will prioritize such relief for families struggling to make either type of payment, including efforts to connect families to other assistance that may be available.
7. I understand that if my facility permanently closes during the subgrant period, I am responsible for immediately reporting the closure to the Tribal Childcare Program.
8. I attest that the information I provide about my facility in the subgrant application, to the best of my knowledge, is accurate and true for the purposes of determining the subgrant award amount.

E3. What is required of child care providers who accept subgrant funds?

They serve Tribal children (descendants or enrolled). Child care businesses must be open and available to provide child care services or temporarily closed due to public health, financial hardship, or other reasons relating to the COVID-19 public health emergency. They must meet applicable health and safety requirements and be in good standing throughout the funding period with the FMYN's CCDF program to remain eligible.

E4. When do providers have to be open to be eligible for subgrant funds?

Providers must be open and operating a registered or licensed child care program on the day they submit a subgrant application.

E5. Under what circumstances can providers be closed temporarily and still be eligible for subgrant funds?

Temporary closure due to public health guidance issued for the Arizona Department of Health, or the provider's local public health department. The program temporarily closed days due to the primary care providers having a positive COVID-19 test result or close contact exposure.

E6. Do I need to pay my employees if my program is closed temporarily and still eligible for subgrant funds?

Yes, for each employee at your facility you must pay at least the same or higher amount in weekly wages and maintain the same or higher benefits for the duration of the subgrant period. You also may not issue any involuntary furloughs, layoffs, etc. through the duration of the subgrant period.

E7. Can I still receive subgrant funds if my child care program is under corrective action?

If your program is under provisional license, intent to revoke, or suspension, you are ineligible to receive grant funding. The tribal agency will re-evaluate eligibility once all non-compliant standards are corrected and the corrective action has been removed from the program license.

Subgrant Application Process

G1. How do I apply for the Child Care Stabilization Subgrant?

The application is included in the application packet sent to you and online at www.ftmcdowellchildhoodcenter.org. If you have any questions please contact Andrea LeBeau @ 480-789-7250.

G2. What information and documentation is needed to apply for subgrant funds?

No additional documentation is required when initially applying for a stabilization subgrant award. However, providers will need to answer questions about enrollment, employment, and operating expenses, but no documentation will be required when you apply. You may be required to undergo a thorough background check.

G3. What information will be reviewed in a background check?

A background check may include, but is not limited to, a review of your criminal history, previous employment, professional or other licensing, registration or certification, credit history, and financial information. This information may be retrieved from any jurisdiction or court, including but not limited to the Fort McDowell Yavapai Nation and its courts.

G4. How will Stabilization subgrant payment be calculated?

Child care provider subgrant amounts must:

1. Be based on a provider's stated current operating expenses, including costs associated with providing or preparing to provide child care services during the pandemic and;
2. To the extent practicable, cover sufficient operating expenses to ensure continuous operations for the intended period of the subgrant.
3. A cost estimation model of a child care provider's estimated operating expenses will be used to determine the amount of stabilization subgrant awards. Childcare providers will need to state or confirm operating expenses with the budget tool provided by the Tribal Child Care Program or have the option to provide their own calculations of operating expenses.

G5. Who is considered an employee?

- Any paid staff of the organization.
- For center or group programs- The individual listed on the license that oversees the day-to-day operations is considered an employee.

G6. Do I need to count myself as an employee in my subgrant application?

Yes.

G7. What do I do if I am having technical issues while applying for the subgrants?

Contact Andrea LeBeau @ 480-789-7250. Please include your first and last name, business name, business license ID#, and the subgrant you are having difficulty applying for.

Reporting & Monitoring

R1. What are eligible expenditures?

- **Personnel Costs (Payroll/Benefits/Other Personnel Costs)**

Wages and benefits for child care program personnel, including increases in compensation for any staff in a child care center or family child care providers and their employees; health, dental, and vision insurance; scholarships; paid sick or family leave; and retirement contributions. Other 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. Child care providers may also use resources 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.

- **Rent or Mortgage payments**

Rent (including rent under a lease agreement) or payment on any mortgage obligation, utilities, facility maintenance, (as it applies to the portion of the home or property used for caring for children). It also may include late fees or charges related to late payment. FMYN recommends you consult with your tax advisor regarding Internal Revenue Service rules for business use of the home.

- **Insurance premiums**

Employee health, dental, vision insurance. Insurance premiums for, general and professional liability insurance, home or property liability insurance, (as it applies to the portion of the home or property used for caring for children).

- **Facility maintenance and improvements**

Funds may not be used for construction or major renovations. Allowable facility maintenance and improvements may include, but are not limited to, building, or upgrading playgrounds, renovating bathrooms, installing railing, ramps, or automatic doors to make the facility more accessible, and removing non-load bearing walls to create additional space for social distancing. In addition, maintenance, and minor renovations to address COVID-19 concerns are appropriate. The facility maintenance and improvements must be assisting with meeting state and local health and safety guidelines or facilitate business practices consistent with safety protocols.

- **Personal protective equipment (PPE) and COVID-related supplies. Training and professional development related to 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 infectious 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, as well as business items needed to respond to new challenges, such as business software and upgrades. This also includes technological upgrades that programs can use to collect data and report to lead agencies.

- **Goods and services needed to resume providing care**

This category includes any material good 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, and transportation. The category also covers fees associated with licensing and costs associated with meeting licensing requirements.

- **Mental health supports for children and early educators**

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. 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 supports to staff are also allowable.

R2. What are the reporting guidelines?

Stabilization Funds: Every 30 days (with Expense report due by the 5th working day of the following month).

R3. Will child care providers have to submit receipts to show how funds were spent?

No, as this is not required by the ARPA-CCDF Stabilization Fund FAQs provided by the Office of Child Care.