

**DEPARTMENT OF PUBLIC WELFARE  
PAYMENT PROVISIONS**

**Child Care Information Services**

The Department of Public Welfare (Department) agrees to pay the Grantee for services rendered pursuant to this Grant, as follows:

1. Subject to the availability of State and Federal funds and the other terms and conditions of this Grant, the Department will pay the Grantee in accordance with Rider 3 for costs in providing the services described in Rider 2 up to the maximum Grant amount of \$ \_\_\_\_\_, as may be adjusted pursuant to Paragraph 5 of the Grant Agreement.
2. Payment to the Grantee shall be made as follows:
  - A. The Department will pay for subsidized child care services provided between July 1, 2006 and June 30, 2007 under this Grant based on the anticipated cost of the next month's enrollments. Through Child Care Management Information System (CCMIS), the Department will reconcile prior payments and expenses for services and factor that reconciliation into the payment amount.
  - B. Family Support Service (FSS) payments for Fund A and Fund C will represent 1/12<sup>th</sup> of the total FSS budget amount. After implementation of Release 4 of CCMIS, the monthly FSS payment method will change. The new method will include 1/12 of the total FSS budget amount as the base payment and reconcile prior FSS expenditures to FSS payments and factor that reconciliation into the payment amount. This reconciliation will occur through CCMIS and will require the Grantee to enter expenditures into CCMIS for FSS payment to be issued. The FSS payment may be increased to exceed the calculated monthly amount if justified and/or to avoid a line of credit and subsequent interest expense.
  - C. The Department may add budgets for subsidized child care through funding adjustments under Rider 3 during the grant period. The payment methodology will follow provisions in 2A and 2B above. Prior to payment, an FSS and Service budget must be submitted and approved.
  - D. The initial payment will be made as soon as possible after the Grant Agreement has obtained all necessary approvals, but not before July 1, 2006.
  - E. In the event of delayed payment by the Department, the Grantee must pay for services provided under its agreement and sub-grants. If the Grantee needs to borrow money to comply with this requirement, the interest paid for this purpose is an allowable expense under the provisions of this Grant.

- F. Grantee must deposit funds received under this Grant in an interest bearing account. These funds may be deposited in a separate interest bearing account or may be commingled and deposited with other funds **only** if the Grantee can identify all of the principal and interest earnings for these funds and can properly credit the Department. The Grantee may not use the funds for any purpose other than fulfilling the terms and conditions of this Grant.
- G. All interest earned by the Grantee or its sub-grantees on payments from the Department shall be used only to increase services provided under this Grant or the interest must be paid to the Department with the Recap. Documentation of interest earned must be available upon request by the Department.
- H. All borrowed working capital and interest must be paid by October 31, 2007
- I. The Department may suspend FSS payments, in whole or part, if Grantee fails to file required program and financial reports in a timely and acceptable fashion until all delinquent or unacceptable reports are received and accepted by the Department. If FSS payments are suspended, the Grantee must continue to make payments to providers in accordance with the budgets in Rider 3.
- J. The Department shall have the right to disapprove any expenditure made by the Grantee, which is not in accordance with applicable laws, regulations or with the terms of this agreement, and the Department may adjust payments to the Grantee accordingly.
- K. The Grantee must submit a budget revision and receive approval from the Department to move funds across budget categories in Rider 3, to increase FSS with additional funds received throughout the Grant period, and to move funds from the FSS portion of Rider 3 to the Service portion of same rider. The Grantee may move funds within budget categories without approval, if the change is concurrently documented in the CCMIS Administrative/Family Support Services Budget. The Grantee will also submit budget revisions when the total Grant amount is adjusted pursuant to Paragraph 5 of the Grant Agreement.
- L. The Grantee must submit two copies of the Recap, one for the Program Office and one for the Public Health & Human Services Comptroller Office (PHHS), Settlement and Appeals Section, with expenditure reports as prescribed by the Department along with a check for monies due the Department by August 31, 2007, or 90 days after the termination date of this Grant, whichever occurs first. The check should be made payable to the Department of Public Welfare and must include interest earned to the date of payment. The Department may withhold future or current Grant payments, in whole or in part, until this requirement is satisfied.
- M. This Grant is subject to audit by Federal and Commonwealth agencies and/or their designated representatives in accordance with Audit Clause A or B, Enclosure 1(attached to Rider 5).
  - 1) All audits must be performed in accordance with the Audit Guidelines

for Child Care Information Services or the Single Audit Supplement issued by the Department. The required schedules must be prepared for the designated period of this Grant.

- 2) If the county elects to enter into a sub-grant agreement, the sub-grant agreement must incorporate the provisions of this Grant agreement between the county and the Department, including the Single Audit Supplement, Section 17. The audits must be performed in accordance with the Audit Guidelines for the Child Care Information Services. A copy of the completed audit must be provided to the Department.
- 3) Upon receipt of the completed independent audit, PHHS Settlement & Appeals Section will complete a final grant settlement to determine final amounts owed to the grantee or due to the Commonwealth. The Grantee will not be permitted to submit revised expenditure reports or budget revisions after the Department receives the completed independent audit.

OBSOLETE