



FAQs: Child Care Stabilization Base Grant

The American Rescue Plan Act was signed into law in March 2021, providing Minnesota with additional funds designed to help stabilize the child care industry as the state continues to recover from the COVID-19 pandemic. At the end of June 2021, the [Minnesota Legislature created the Minnesota's Child Care Stabilization Grant program](#) beginning in June of 2021 and lasting until June of 2023.

Below are answers to frequently asked questions regarding the Child Care Stabilization Base Grant funding.

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Eligibility and application process

1. What types of child care programs are eligible for the Base Grant?

Child care program types eligible for funds include:

- Family and group family licensed under [Minnesota Rules, Chapter 9502](#)
- Child care centers licensed under [Minnesota Rules, Chapter 9503](#)
- Certified license-exempt child care centers under [Minnesota Statutes, Chapter 245H](#)
- Tribally licensed child care programs
- Legal non-licensed providers who are authorized by Child Care Assistance Program under [Minnesota Statutes, Chapter 119B.125](#) and serving eligible families under [Minnesota Statutes, Chapter 119B](#).

In addition, the above eligible programs must be licensed, certified or registered and in good standing throughout the funding period with the Minnesota Department of Human Services (under Minnesota Rules, Chapters 9502, 9503, 245H or 119B) or their tribe. This means the program must not have been:

- The subject of a current or past finding of fraud
- Prohibited from receiving public funds under [Minnesota Statutes, Section 245.095](#)
- Under revocation or under temporary immediate suspension.

To receive these funds, an eligible program, as described above, must have been operating and serving children on the first day of the funding period and must attest in writing that the program continued to operate and serve children during the full funding period (see [questions 13](#) and [14](#) for exceptions).

2. Are legal non-licensed providers eligible to apply for a Base Grant?

Yes, legal non-licensed providers who are currently registered with the Child Care Assistance Program and serving children who are eligible for the program are eligible to apply for a Child Care Stabilization Base Grant.

3. How do I apply for a Base Grant?

Online applications will be available to all eligible providers on a monthly basis. Eligible providers will receive an email at the start of each application period with a link to a personalized application link.

4. What is the timeframe for applying for the Base Grant?

Providers can apply monthly for Base Grants. Below are the 2021 funding and application periods:

Funding period	Application period
Aug. 15, 2021 – Sept. 14, 2021	Sept. 15, 2021 – Sept. 22, 2021 at 4 p.m.
Sept. 15, 2021 – Oct. 14, 2021	Oct. 15, 2021 – Oct. 22, 2021 at 4 p.m.
Oct. 15, 2021 – Nov. 14, 2021	Nov. 15, 2021 – Nov. 22, 2021 at 4 p.m.
Nov. 15, 2021 – Dec. 14, 2021	Dec. 15, 2021 – Dec. 22, 2021 4 p.m.

General questions about Base Grants

5. What is the Base Grant funding amount?

State statute requires base grant amounts to be determined based on the number of full-time equivalent staff who regularly care for children in the program, including sole proprietors (i.e. family child care providers) or independent contractors. "Regularly cares for children" is defined as a paid staff person whose job description or responsibilities include interacting with, caring for and supervising children enrolled in the program. More information on the funding formula is available in [Important information on the Child Care Stabilization Base Grants \(PDF\)](#).

Providers who have recently received payments through the Child Care Assistance Program, Early Learning Scholarships, or both will receive a 10% increase to their Base Grant per funding period.

6. How do I calculate the number of full-time equivalent staff in my program?

The Base Grant is calculated based on the number of full-time equivalent (FTE) staff who regularly care for children in the program. The monthly application will require you to list the individuals and the hours worked caring for children during the previous calendar month. Based on that information, the exact FTE amount for each individual and the total number of FTEs for the program will be automatically calculated. A [Child Care Stabilization Grant FTE worksheet](#) will help you calculate the FTEs to report. The worksheet is for your information and is not part of the official application process.

Child care centers and certified child care centers

- Only list paid staff who regularly care for children.
- Do **not** include:
 - Volunteers
 - Individuals paid to provide occasional enrichment activities for the children.
- Be prepared to supply documentation that supports the information provided in the application regarding staff and hours worked, if requested by the Minnesota Department of Human Services.

Family child care providers

- Consider a family child care provider as a “staff member” when calculating the FTEs for the purposes of the Base Grants. The provider will be asked to list the hours they worked for the previous calendar month in the application.
- If a spouse also works in the family child care program, and regularly cares for children, list that individual and the hours worked in the application.
- A provider’s child, age 13-17 years, who has met the qualifications to be a designated helper and assists in caring for children in the program, may be included in the FTE calculation.
- Do **not** include in the FTE calculation:
 - Individuals paid to provide occasional enrichment activities for the children
 - Individuals, outside the household, who are not paid; they are considered volunteers.
- Be prepared to supply documentation that supports the information provided in the application regarding individuals and hours worked if requested by the Minnesota Department of Human Services.

7. Are providers who receive Child Care Assistance Program payments eligible for these funds?

Yes, providers who receive Child Care Assistance Program payments are eligible for these funds.

8. Are providers who receive Early Learning Scholarships eligible for these funds?

Yes, providers who receive Early Learning Scholarships are eligible for these funds.

9. Can providers who applied for and received financial support from another source still be eligible for these funds?

Yes. However, providers accepting these funds must ensure the funds are not used to pay for any allowable use that has already been paid for with other federal, state, tribal or local public funds. Examples of other funding sources may include Peacetime Emergency Child Care grants, COVID-19 Public Health Support Funds for Child Care, Tribal Child Care Stabilization Grant funds, forgiven Paycheck Protection Program loans, Child Care Aware Regional Grants, and others.

10. When must the funds be used by?

Programs are allowed to use the funds as reimbursement for any of the approved uses listed in [question 17](#) that were paid between Jan. 30, 2020, and Sept. 30, 2023. Providers accepting these funds must ensure the funds are not used to pay for any allowable use that has already been paid for with other federal, state, tribal or local public funds. If you are uncertain whether the source of funding from other support programs is public, you should verify with the organization that provided that support.

11. If I don't want to receive these funds, can I decline?

Yes. Providers wishing to decline the funds are encouraged to indicate this by answering the initial questions in their personalized application link. This will assist the department in budgeting and planning for the Child Care Stabilization Base Grant program, and will reduce the number of email reminders you receive. Choosing to decline funds one month will not affect your ability to apply for future funding periods.

12. What is the Catalog of Federal Domestic Assistance Number and Uniformed Financial Accounting and Reporting Standards number that nonprofits and school districts should use when documenting the Child Care Stabilization Grant funds?

The CFDA number assigned to funds received in 2021 is 93.575. The UFARS code number – used by school districts to report to the Minnesota Department of Education for funds received in 2021 – is 174.

Requirements and allowable uses of funds

13. When do providers have to be open in order to be eligible to receive these funds?

To be eligible, providers must attest that they have been operating and serving children during the full funding period for which they are applying. See [question 14](#) for allowable exceptions.

All eligible programs must maintain their license, certification, or registration in good standing with the Minnesota Department of Human Services or their tribe throughout the funding period to remain eligible. Refer to [question 1](#) regarding eligibility requirements.

14. Under what circumstances can providers temporarily close and still be eligible for these funds?

Providers remain eligible to apply for the funds if the program temporarily closes under any of the following circumstances:

- Temporary closure due to public health guidance issued by the Minnesota Department of Health, Minnesota Department of Human Services and/or the provider's local public health agency;
- The program temporarily closed days due to the license holder and/or primary care provider having a positive COVID-19 test result or "close contact" exposure; or

- Temporary closures for up to five business days (i.e. days you typically care for children) excluding holidays over the duration of the funding period. Temporary closures may include, but are not limited to, closures due to provider or staff vacations, medical appointments, personal leaves of absence, etc.

Relevant COVID-19 guidance and links are updated on mn.gov/childcare/providers.

15. What is required of eligible child care providers who accept these funds?

Eligible providers must attest in writing to:

- Having been open and serving children during the full funding period (see [questions 13](#) and [14](#) regarding allowable exceptions)
- Implement policies in line with guidance and orders from corresponding state, tribal, and local authorities and, to the greatest extent possible, implement policies in line with guidance from the Centers for Disease Control and Prevention (available at cdc.gov/coronavirus/2019-ncov/community/schools-childcare/child-care-guidance.html)
- Pay staff at least the same amount in weekly wages and maintain the same benefits (such as health insurance and retirement, if applicable)
- Use at least 70% of the Base Grant to provide increased compensation, benefits, or premium pay to all paid employees, sole proprietors (i.e. a family child care provider), or independent contractors who regularly care for children, unless granted a waiver from the department; see [question 16](#) for additional information on this requirement
- Provide relief from copayments and tuition payments for the families enrolled in their program, to the extent possible, and if unable to provide relief for all families enrolled in the program, they should prioritize relief for families most in need
- Report program capacity information through the Provider Business Update tool at mnpbu.naccrraware.net/#!/login, at least every six weeks. (Legal non-licensed providers are exempt from this requirement.)

Child care providers must agree **not** to:

- Furlough or lay off employees
- Use these funds to pay taxes
- Use these funds for items that have already been paid for by federal, state, tribal or local public funds.

16. What if my program isn't able to increase compensation to staff as required?

Grant recipients may request a waiver from the requirement to use 70% of the Base Grant to provide increased compensation, benefits or premium pay to all staff who regularly care for children if they cannot do so due to restrictions included in agreements with employee bargaining units, or because the program is experiencing unusual and significant financial hardship. Programs needing to request a waiver will be able to do so through the application process.

17. What can funds be used for?

Child care providers must agree to use the funds for one or more of the following purposes:

- Personnel costs, benefits, premium pay, and employee recruitment and retention for an employee (someone who owns their own business, like a sole proprietor or an independent contractor, can count themselves as an employee)
- Rent or mortgage payments, utilities, facilities maintenance and improvements, or insurance
- Personal protective equipment, cleaning and sanitation supplies and services, or training
- Professional development related to health and safety practices
- Purchases of or updates to equipment and supplies to respond to COVID-19
- Goods and services necessary to maintain or resume child care services
- Mental health supports for children and employees
- Relief from tuition and/or copayments for families enrolled

Reimbursements can be for any of the uses above, paid between Jan. 30, 2020, and Sept. 30, 2023, that have not been covered by other federal, state, tribal or local public funds. If you are uncertain whether the source of funding from other support programs is public, you should verify with the organization that provided that support.

18. How do I report the required information in the Update Tool survey that to receive these funds?

The Update Tool is available at mnpbu.naccrraware.net/#!/login, and allows you to update your program's capacity. If you have never used the Update Tool before, please refer to these [instructions for using the Update Tool](#). If you need further assistance, email updatetool@parentaware.org. Plan to complete this survey, at a minimum, once every six weeks to ensure that the data remains current.

Data from the [Update Tool](#) is used to update the map and survey data that are shared publicly through parentaware.org. This information helps parents of young children get connected to your program when they are looking for child care.

Receiving Base Grant payments

19. How will I receive these awards?

Minnesota Management and Budget, a state agency, will mail monthly payments to the authorized agent, center operator, license holder, or legal non-licensed provider at the address on file with the Minnesota Department of Human Services, Licensing Division.

Please note, these payments **cannot** be forwarded by the postal service and will be returned to Minnesota Management and Budget if your address on file with DHS Licensing Division or your Child Care Assistance Program Agency is not current, which will delay you receiving your payment. All address changes need to be made by your county licensor (family child care providers), tribal licensor, or Minnesota Department of Human

Services licensor (child care centers and certified child care centers). Legal non-licensed providers should contact their Child Care Assistance Program agency.

20. Will child care providers have to submit receipts to prove how funds were spent?

No, programs are not required to submit proof of how the funds were spent, unless specifically requested. Programs are required to document spending and be prepared to share those records should the Minnesota Department of Human Services request them. The department will conduct compliance monitoring by utilizing a sample audit approach. Providers selected for an audit must provide the department with documentation related to eligibility and use of funding.

21. What if information about my program (address, ownership, authorized agent) changes after I submit my application?

Providers should contact their Minnesota Department of Human Services or county licensor as soon as the change occurs and ask them to update the information. Legal non-licensed providers should contact their Child Care Assistance Program agency. Additionally, if a program is contemplating operating status changes (i.e. moving from school year only to full year operations) that may affect their eligibility, they should refer to [questions 13](#) and [14](#) of this document. Those with additional questions or who are contemplating other changes that may affect their eligibility for funding should contact the Minnesota Department of Human Services at dhs.child.care@state.mn.us to determine impacts.

22. Will I still be eligible for payments if I move during the funding period?

Providers who move during the funding period remain eligible for the funds as long as they continue to meet funding criteria. Moves or “planned temporary closures” are allowed for up to five business days (i.e. days you typically care for children) over the duration of the funding month. If a move or planned temporary closure exceeds the allowable time, the provider will not be eligible to receive that month’s funding payment. Providers planning to move during the funding period should work closely with their Minnesota Department of Human Services or county licensor to ensure the move does not impact funding eligibility. Legal non-licensed providers should contact their Child Care Assistance Program agency.

23. What if my check is lost, stolen or damaged?

For assistance, please contact Cindy Schneider, Minnesota Department of Human Services Child Care Services Division, at dhs.child.care@state.mn.us (preferred) or 651-431-3864. Providers should expect to receive their funds within three weeks of the application close date. Refer to [question 4](#) for the application periods.

Security, privacy and fraud prevention

24. Why do I need to provide my Social Security number or Federal Employer Identification Number as a part of the application and attestation form?

The Internal Revenue Service requires the Minnesota Department of Human Services to obtain your Social Security number or Federal Employer Identification Number in order to issue a Tax Form 1099-G. The name and number you give must match your name with the IRS. If your name and tax identification number are determined to not be valid due to a fraudulent act, you will not receive Child Care Stabilization Grant funds, you will have to pay back any of the funds you have been paid, and you may be subject to an IRS fine.

25. Will the Child Care Stabilization Base Grant funding be considered income when I file my 2021 taxes?

Yes, the IRS and Minnesota Department of Revenue considers this funding as income. Providers who receive these funds will be mailed a 1099 form by Jan. 31, 2022, showing how much was paid to the provider in 2021. Providers are encouraged to consult with an accountant or tax expert to fully understand the tax implications of this funding. By the second week of February 2022, if you haven't received your 1099 tax form, you can contact the Minnesota Management and Budget's 1099 help line at 651-201-8201 or email W9-1099.MMB@state.mn.us to request a copy. Minnesota Management and Budget will provide a copy of the 1099 tax form through secure email, ZIXmail.

If providers have questions after receiving their 1099 form, they can contact Minnesota Management and Budget at 651-201-8201. First Children's Finance, a Minnesota-based nonprofit, may be able to provide overall budgeting and financial planning for any tax liability, as well. For help, visit firstchildrensfinance.org, email infoMN@firstchildrensfinance.org or call 1-866-562-6801.

26. Will the department be publishing any of the data collected as part of the Child Care Stabilization Base Grant applications?

No, the department will not be publishing the grant recipients or the data they provide as part of the application.

27. Is the data in child care provider applications and the information about funding awards public data?

Most funding application data is classified as public data, and if requested, must be made available to the person requesting it. Examples of private data that cannot be shared with the public are an individual's Social Security number, and data that can potentially identify children in programs. If you have data-related inquiries, please contact the Minnesota Department of Human Services Child Care Services Division by sending an email to dhs.child.care@state.mn.us.

28. What are the consequences for a provider who applied for and accepted these funds not meeting the funding requirements?

If there is indication that a provider has failed to meet Child Care Stabilization Base Grant requirements, they will receive written notice and have an opportunity to clarify and/or correct any non-compliance. Failure to make the required corrections, and/or indication that a provider provided false or misleading information to the Minnesota Department of Human Services with regard to the funding requirements, may result in discontinuation of future eligibility for grant funds, recoupment of payments already made, and/or referral to the Office of Inspector General for additional action.

29. Under any circumstances, will I have to pay these funds back?

These funds do not constitute a loan and child care providers who comply with funding requirements will not be required to pay them back. However, funding recipients found to have violated the terms of the application process or attestation, or who are found to have provided false or misleading information to the Minnesota Department of Human Services with regard to funding requirements, may have prior payments recouped, be deemed ineligible for future grant funds, and/or be referred to the Office of Inspector General for additional action.

Actions to establish recoupment, except for findings of fraud, must be made within six years of the conclusion of the grant program (currently set to end June 2023). Once recoupment is established, collection may continue until funds are repaid in full.

30. What should I do if I believe a provider is not meeting the funding requirements?

If you are concerned that a grant recipient is not following the funding requirements, you can submit a report by calling 651-431-3968 or 800-627-9977 or emailing dhs.oig.ccaptips@state.mn.us with “Child Care Stabilization Grant Program Complaint” in the subject line. Include as much detail as you can, including:

- Child care provider or program name
- Name of director if it’s a child care center
- Address of child care provider or program
- If licensed, the license number (which can be found at licensinglookup.dhs.state.mn.us)
- The requirement you believe the child care provider may not be following
- A description of the way in which the child care provider is not following the requirement.

Support and communication

31. I still have questions and I am not finding answers in this FAQ. Where do I send my questions?

Please call Child Care Aware at 651-290-9704 or email supportfunds@childcareawaremn.org.

- Si necesita ayuda para comprender esta carta, comuníquese con Vanessa Carrasco Berliz vcarrasco@thinksmall.org, 651-641-6660
- Hadaad ubaahantahay caawimaad fahanka warqadan, fadlan la xiriir DHS Language Line, 800-367-9559
- Yog tias koj xav tau kev pab nkag siab tsab ntawv no, thov hu rau Julie Yang JYang@thinksmall.org, 651-366-6792

Child Care Aware of Minnesota will use Language Line Services for languages other than Spanish, Hmong and Somali; they can be reached by phone at 651-290-9704 or by email at supportfunds@childcareawaremn.org.

32. How can I ensure I receive the email communications related to these funds?

You should add dhs.child.care@state.mn.us to your email client safesender list. Adding this email address ahead of time will prevent important emails from being filtered to your spam or junk folder. Follow these [instructions for adding an email address to your safe-sender list](#).