

- C. A parental fee is assessed if countable income is received for a child, including, but not limited to child support payments, social security disability payments, or social security survivor benefits.**

NOTE: The administrative cost of collecting and accounting for parental fees makes it unreasonable to process very small amounts charged to families; therefore, a parental fee, when the total amount due is less than \$5.00 per month, is disregarded.

IV. RESPONSIBILITIES REGARDING PARENTAL FEES

A. Responsibilities of the Local Purchasing Agency (LPA)

The LPA is responsible for determining the amount of the parental fee to be paid to the provider for child care services.

1. When subsidized child care is approved, the LPA must notify the provider and parent in writing, as to the amount of the parental fee to be collected from the parent using the Child Care Voucher ([DCD-0446](#)) or Child Care Action Notice ([DCD-0450](#)).
2. The LPA must give the parent a clear explanation of the parental fee policy, the specific charges imposed, and the parent's responsibility for payment.
3. Any change in the amount of the parental fee must be made known to the provider and parent using the Child Care Action Notice (DCD-0450). See [Section C., 4](#) below regarding termination of child care arrangements when parental fees are not paid.
4. The LPA may develop local policy to specify the time frame for providers in allowing parental fees to go unpaid prior to requesting termination of services. Refer to [Chapter 22: Local Policy Options](#) for additional information about establishing local policy.

Child care expenses affect the Work First, Food Stamp and Medicaid benefits a family is eligible to receive; therefore, the child care worker should notify the Work First, Food Stamp and Medicaid unit(s) of any parental fee assessed, the effective date and any changes in the parental fee. A copy of the Child Care Voucher ([DCD-0446](#)) or Child Care Action Notice ([DCD-0450](#)) can serve as the means of notification.

B. Responsibilities of the Family

1. The parent/responsible adult is responsible for paying the parental fee for child care services directly to the child care provider.

2. The parent/responsible adult is also responsible for reporting changes in family income or family size that may affect the parental fee for child care services. **These changes must be reported to the *child care worker* in the LPA within five (5) workdays.**
3. The child care worker may encourage the parent/responsible adult to negotiate with the provider a parental fee payment plan that best suits the parent's needs. The parent and the provider may agree upon an individual plan for collecting parental fee payments at less than monthly intervals.
4. Should a parent/responsible adult choose a provider who charges more than the rate the LPA is allowed to pay, the parent may pay the difference between the provider's charge and the rate paid by the LPA. The parent may not be required to pay the difference; however, if the parent is unable or unwilling to pay the difference in this situation, another provider must be selected by the parent. This is discussed further in [Chapter 9: Parental Choice and Voucher Procedures](#).
5. There may be cases where providers charge parents additional fees for activities not included in the normal program of child care. These additional charges may include:
 - a. Enrollment or registration fees, when not reimbursed by the LPA;
 - b. Fees for arriving late to pick up the child or for late payment of the fee; or
 - c. Special fees for activities such as swimming or dance lessons.

NOTE: The LPA is not responsible for these separate fees charged to parents.

C. Responsibilities of the Provider

1. Collect the parental fee from the parent/responsible adult on a regular basis and apply the same policy for non-payment of parental fees to private paying parents and parents receiving subsidies.
2. Give the parent/responsible adult a clear written explanation of the arrangement for paying the required parental fee and discuss the consequences of non-payment.
3. Give the parent/responsible adult a dated receipt for payment of the parental fee, as payment is received. Receipts should include the period of time that the payment covers and the type of payment (such as child care, registration, parent fee, outstanding balance, etc.).

The provider must retain copies of these receipts for at least three (3) years and they may not be destroyed until authorized by DCD or the LPA. Parents should be encouraged to retain receipts as well, in case they need to verify that the fee has been paid for a particular month.

4. If a parent has failed to pay parental fees and the provider notifies the LPA of the unpaid fees, the following guidelines must be followed:
 - a. The provider must indicate the amount that is unpaid and may request that services be terminated for non-payment of parental fees.
 - b. The child care worker must issue a Child Care Action Notice ([DCD-0450](#)) to both the parent and provider, indicating that the arrangement is being terminated at the provider's request for the parent's failure to pay parental fees.

All parental fees must be paid in full or satisfactory arrangements made between the parent and provider for repayment before a voucher for another provider can be issued. If the provider notifies the LPA that a repayment agreement has been developed, services may continue.

- c. The LPA **must document in the record** the reason services are terminated and the amount of the unpaid parental fees. The provider or parent must submit verification when the parental fees are paid.

V. DETERMINATION OF THE PARENTAL FEE AMOUNT

A. Parental fees are the same across the state for all types of child care arrangements. Policy regarding the rates paid by the LPA can be found in [Chapter 20: Payment Policies](#).

1. A parental fee is based on the family's size, gross income, and the hours of care.
2. **There is one (1) parental fee for families receiving subsidized child care, regardless of the number of children in care.** The parental fee is assessed to the child receiving the greatest number of hours of care. In cases wherein the parental fee exceeds the cost of care, services cannot be authorized. An exception to this would be when more than one (1) child is in care and the total cost exceeds the parental fee; then the parental fee could be divided between or among the children. The case narrative would explain this.

B. To determine the parental fee, the child care worker will multiply the family's gross monthly countable income by the appropriate fee percentage, up to a maximum income limit. Refer to the [Attachment 1](#):