QUALITY FIRST
SCHOLARSHIPS
POLICIES
AND
PROCEDURES MANUAL
## Quality First Scholarships
### Policy and Procedures Manual
#### Fiscal Year 2014

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OVERVIEW OF FIRST THINGS FIRST

First Things First (FTF), designed to meet the diverse needs of Arizona communities, has a role in ensuring that Arizona’s children grow up to be ready for school, set for life. The thirty-one regional councils, comprised of community volunteers representing a specific segment of the community meet to discuss the needs of the community and determine how to address those needs. Each council makes decisions about funding priorities in their region.

FTF envisions a comprehensive early care and education system that addresses quality, accessibility and affordability. High quality is supported and assessed by Quality First (QF), FTF’s signature quality improvement and rating system for regulated early care and education settings. There are two types of participation in QF: full participation, and rating only. Programs in full participation are eligible for a variety of services including coaching, assessment, financial incentives, QF Scholarships, child care health consultation, Birth to Five Helpline and TEACH Early Childhood Arizona® Scholarships. Programs in rating only participation are eligible for only coaching and assessment.

High quality programs must be both accessible to all children and affordable for families of every income level. QF Child Care Scholarships and Pre-Kindergarten (Pre-K) Scholarships promote affordability of a variety of quality early care and education settings, offering families the ability to choose the setting that best meets their needs. Additionally, quality early education must be accessible to families where they live and work, and to children of all abilities and needs. It is the intent of FTF to ensure that all early care and education programs actively include children with special needs.

The QF model ties financing and quality through QF Child Care Scholarships and Pre-Kindergarten Scholarships. Both scholarship strategies are intended to provide access to high quality early care and education services for children who live in households that have an income of 200% of the poverty level or below, based on the most recently published Health and Human Services Federal Poverty Guidelines unless otherwise determined by a specific region. Valley of the Sun United Way (VSUW) serves as the administrative home and fiscal agent for the First Things First Quality First Scholarships program.
SECTION I – DETERMINATION OF SCHOLARSHIPS

1-1. FTF QUALITY FIRST SCHOLARSHIPS MODEL

Target Number of Child Care Scholarships

<table>
<thead>
<tr>
<th>Star Levels</th>
<th>% Median Reimbursement Rate Paid</th>
<th>Maximum Number of Full-time Child Care Scholarships in Quality First Package</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Large Center</td>
</tr>
<tr>
<td>1</td>
<td>75%</td>
<td>9</td>
</tr>
<tr>
<td>2</td>
<td>75%</td>
<td>10</td>
</tr>
<tr>
<td>3</td>
<td>85%</td>
<td>12</td>
</tr>
<tr>
<td>4</td>
<td>100%</td>
<td>15</td>
</tr>
<tr>
<td>5</td>
<td>110%</td>
<td>17</td>
</tr>
</tbody>
</table>

**The table indicates a target number of scholarships. Actual numbers may vary depending on:

- the amount of total scholarships allotted by a region and available for distribution to the providers in that specific region
- the quality progression of sites verses the number of available scholarships within each specific region
- the usage or decline of scholarship slots across the region and any subsequent re-allocation of those slots

1-2. Overview of Scholarship Type

**Quality First Child Care Scholarships**
QF Child Care Scholarships are allotted to an early care and education provider, either child care center or family child care home, for the full or partial cost of care. QF Child Care Scholarships are only available to programs enrolled in full-participation QF. Programs enrolled in rating only QF are not eligible for QF Child Care Scholarships. The number of scholarships is determined by VSUW and is based upon the program’s size and QF star-rating. These scholarships are awarded to the provider and do not transfer with the child to another site. Reimbursement rates are based on the 2010 DES Market Rate Survey and vary by region, age of child and star rating.

**Pre-Kindergarten Scholarships**
Pre-K Scholarships are allotted to center-based early care and education providers enrolled in either full-participation or rating-only QF for the full or partial cost of care.
All early care and education programs that have achieved a 3-star QF rating or higher in Pre-K funded regions have the opportunity to apply through the Arizona Department of Education (ADE) for scholarships through the Pre-K Scholarship strategy. Providers in these regions that are enrolled in full participation QF may receive both QF Child Care Scholarships and Pre-K Scholarships. ADE determines the number of scholarships slots in the Pre-K program. VSUW administers the program once the slots have been determined. These scholarships are awarded to the provider and do not transfer with the child to another site. Reimbursement rates are fixed and determined by FTF.

**Teen Scholarships**

Teen Parent Scholarships are available in the North Phoenix and Central Maricopa regions. Eligibility is determined by the Teen Scholarship Program; parents apply directly to the Teen Scholarship program. The family must choose a provider that is enrolled in QF. The Teen Scholarship program will then contact the chosen provider. This scholarship type is granted to the child and can transfer with the child to another provider. Reimbursement rates are the same as the Quality First Child Care Scholarships reimbursement rates.

**Navajo Nation Off-Reservation Scholarships**

Scholarships are available for Navajo Nation residents that are temporarily residing off the Navajo Nation to achieve their education. Eligible families must maintain a permanent residence on the Navajo Nation and the parents/guardians must be current students in a post-secondary education program taking a minimum of six credits per semester, including summer. Parents/guardians need to apply directly to VSUW. VSUW will then contact the chosen provider, once the family has been approved. This scholarship type is granted to the child and can transfer with the child to another provider. Reimbursement rates are the same as the Quality First Child Care Scholarships reimbursement rates.

1-3. Reimbursement Rates

As guided by FTF, VSUW uses the 2010 DES Market rates to determine reimbursement rates for Quality First Child Care, Teen, and Navajo Nation scholarships. A provider will receive a percentage of this rate based on their star rating, program type, age of child and region.

- The percentage of reimbursement are:
  - 5-star = 110% of 2010 DES Market rate
  - 4-star = 100% of 2010 DES Market rate
  - 3-star = 85% of 2010 DES Market rate
  - 2-star = 75% of 2010 DES Market rate
  - 1-star = 75% of 2010 DES Market rate

- Provider rates for fiscal year 2014 (July 1, 2013 – June 30, 2014) are determined based on the provider’s star rate as of April 1, 2013. Rates are fixed for the entire fiscal year and will not change if the program receives a new assessment during the year.

Pre-Kindergarten scholarships are reimbursed at a fixed rate of $600.00 per month per child for full time and $300.00 per month per child for part time.
SECTION II – PROVIDER CONTRACTING PROCESS

2-1. OVERVIEW OF PROCESS

- FTF sends a list of providers who are newly enrolled in QF to VSUW every week. New enrollments are reviewed and the following is determined:
  - Number of slots - determined by regional budget, FTF program size, and star-rating using the FTF QF Scholarship Model Table
  - Reimbursement rates - determined by the star rating, program type (center-based or home-based), and regional location
- Within a week of VSUW receiving the newly enrolled provider information from FTF, the provider will be sent an award letter, indicating their number of scholarship slots and reimbursement rates, along with a provider contract and list of required documents.
- The provider must sign and return the contract to VSUW with necessary documentation prior to the start of scholarship.
- Official enrollment in the Scholarships program will begin on the first of the month, following receipt of the signed contract and W-9 form. This is the earliest a provider can request reimbursement for a scholarship.

2-2. REQUIRED DOCUMENTS

Provider packet will include:
- Provider Application
- Provider Agreement
- W9 Tax Form
- ACH Form
- Family Application
- Federal Poverty Guideline Table

Providers will receive a welcome notification within 48 hours after VSUW has received the above documents. This notification will include login information for reporting, reporting instructions, FAQ’s, and a training video link along with VSUW contact information for assistance.

SECTION III – RECRUITING AND SELECTING FAMILIES

3-1. SPREADING THE WORD

Providers are not to advertise scholarships using the First Things First and/or Quality First entity names. First Things First Scholarships can be advertised in the following ways:
- Currently enrolled and/or prospective families can spread the word about scholarships;
- An open-house to overview the First Things First Scholarships program if they have available scholarships;
- Include written information in the family handbook

All other scholarship advertising must be pre-approved by VSUW and First Things First.
3-2. CRITERIA FOR CHOOSING FAMILIES

All eligible families must show their household income at or below 200% of the Federal Poverty Level (FPL). **Family household is defined by tax records.** The tax records of the person(s) who claims the child receiving the scholarship will be used to determine the household income.

A provider might have more families apply for First Things First Scholarships than what is available at the program. There are a number of ways that a provider might select a family to receive a First Things First Scholarship:

- It is recommended that scholarships are provided to the children with the highest need. One way of determining need is to use the chart below, adapted from the City of Phoenix Early Head Start program. Families with the highest number of points would be selected to receive the scholarship.
- Families may also be selected based on their application date or first come first served.
- Families may also be selected based on the space that is available. If a provider only has an opening in a specific room, a family with a child of the age served in the room could be selected.

It is at the discretion of the provider to determine how First Things First Scholarships will be distributed at the site. No matter how your program chooses to select families for scholarships, it is important to be consistent and document your method and to ensure that families understand the selection criteria.
## Scholarship Selection Criteria

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Maximum points</th>
<th>Child's Score</th>
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<tbody>
<tr>
<td>Income</td>
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<td></td>
</tr>
<tr>
<td>0 - 25% of FPL</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>26 - 50% of FPL</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>51 - 75% of FPL</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>76 - 100% of FPL</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>101 - 125% of FPL</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>126 - 150% of FPL</td>
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<td></td>
</tr>
<tr>
<td>151 - 175% of FPL</td>
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<td></td>
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<tr>
<td>176 - 200% of FPL</td>
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<tr>
<td>Over 200% of FPL</td>
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### Child's Income Score

<table>
<thead>
<tr>
<th>Disabilities</th>
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<tbody>
<tr>
<td>Child has current IFSP</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Child has documented referral</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>No disability</td>
<td>0</td>
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### Child's Disability Score

<table>
<thead>
<tr>
<th>Parental Status</th>
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<tbody>
<tr>
<td>Foster Child</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Teen Parent/Pregnant Teen (up to 19 years old)</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Pregnant women in 1st trimester</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>Pregnant women in 2nd trimester</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Pregnant women in 3rd trimester</td>
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<td></td>
</tr>
<tr>
<td>Non-parent (grandparent/relative)</td>
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<tr>
<td>Single parent</td>
<td>4</td>
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### Child's Parental Status Score

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<th>Other Factors</th>
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<tr>
<td>Homeless or living in shelter</td>
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<td></td>
</tr>
<tr>
<td>Refugee family</td>
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<td></td>
</tr>
<tr>
<td>TANF/SSI</td>
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</tr>
<tr>
<td>Crisis: CPS - Drug/Alcohol/Domestic Violence</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Parent in School/training</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>On Scholarship waitlist 3 or more months</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>On Scholarship waitlist 2 – 3 months</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>On Scholarship waitlist 1-2 months</td>
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<td></td>
</tr>
<tr>
<td>On Scholarship waitlist less than 1 month</td>
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### Child's Other Factors Score

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<tr>
<th>Add up Child's scores from shaded rows</th>
<th>Total</th>
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SECTION IV – PROVIDER ACCOUNTABILITY

4-1. CHILD ATTENDANCE

Short-term absences are paid under the scholarship program. Providers are expected to monitor absences to make sure that the scholarships are used as they are intended. If a child is repeatedly absent (10 or more days per month), then it is expected that the provider discuss this with the parent. If attendance is not consistent, the scholarship will need to be given to another family. Absences due to illness are covered under the scholarship program.

Vacations over 10 days per month are not covered by the scholarships and any charges for excess vacation time will be the responsibility of the parent.

4-2. ACCURACY/INTEGRITY OF ELIGIBILITY DOCUMENTATION

Providers are required to check each family’s eligibility at the beginning of each fiscal year (July 1 – June 30) regardless of the child’s scholarship enrollment date. Those providers operating for less than 12 months are required to check eligibility at the beginning of each school year.

Providers must maintain copies of eligibility documentation in the child’s file at the site location.

4-3. ADHERANCE TO SITE POLICIES AND PROCEDURE

Families receiving First Things First Scholarships must adhere to the Provider’s policy and attendance manual.

SECTION V – FAMILY APPLICATION

5-1. ELIGIBILITY GUIDELINES

Quality First Child Care Scholarships Eligibility

Quality First Child Care Scholarships are allocated by VSUW to providers enrolled and in good-standing with QF. Programs are required to demonstrate that children served are eligible to participate by obtaining documentation of the age of child, family income, and proof of the child’s legal residency.

1. Eligibility for scholarships is limited to families with incomes at or below 200% of the 2013 FPL who have children ages birth through age five and not yet in kindergarten.
   a. Providers located in the Navajo Nation RPC and the Northeast Maricopa RPC have been granted an exception by their regions to increase the income eligibility to 300% of the FPL for fiscal year 2014.

2. Age Requirements - children ages birth through five years of age (no exceptions) and not yet eligible for kindergarten (no exceptions) of the program year.
a. Regional Partnership Councils (RPC) may target scholarships to subpopulations within the birth through age five population such as infants and toddlers only or preschoolers only. When regions identify a specific age group, the program will receive communication regarding the special population.

3. Families who have children with special needs are eligible and must be given equal access to child care scholarships.

4. Families must complete the current year VSUW family scholarship application and provide required verification such as proof of family income and proof of citizenship or legal residency of children. Providers must maintain copies of family eligibility on-site for two years.

5. Scholarships should reduce, not eliminate the parent contribution, by establishing an affordable rate for families that, ideally, would not to exceed 10% of their gross income.

6. Scholarships are not available to children in families currently receiving a DES child care subsidy. Families who are on the waiting list for DES subsidized child care are eligible for scholarships but are required to accept the DES subsidy when offered. Declining the subsidy will result in the loss of any child care scholarships a family receives.

7. Children enrolled in part-time programs (less than 28 hours per week) may receive part-time scholarships.

8. The maximum number of scholarships, of any type, available to any given family is two.

9. Scholarships may accommodate families working non-traditional hours.

10. The child(ren) receiving the scholarship must be a U.S. citizen or a legal resident of the U.S.

11. Child Care scholarships are reimbursed through the monthly online reporting process administered by VSUW.

12. It is the responsibility of the provider to inform families of any costs not covered by the scholarship at the time of enrollment.

Pre-Kindergarten Scholarships Eligibility
Pre-Kindergarten scholarships are allocated by ADE to providers with a 3-star rating or higher who have applied to participate. Programs are required to demonstrate that children served are eligible to participate by obtaining documentation of age of child, family income, and proof of the child’s legal residency.

1. Eligibility for scholarships is limited to families with incomes at or below 200% of the 2013 FPL who have children ages three through age five and not yet in kindergarten.

2. Age Requirements - children ages three through five years of age (no exceptions) and not yet eligible for kindergarten (no exceptions) of the program year.

3. Families who have children with special needs are eligible and must be given equal access to child care scholarships.

4. Families must complete the current year VSUW family scholarship application and provide required verification such as proof of family income and proof of
citizenship or legal residency of children. Providers must maintain copies of family eligibility on-site for two years.

5. Scholarships should reduce, not eliminate the parent contribution, by establishing an affordable rate for families that, ideally, would not to exceed 10% of their gross income.

6. Scholarships are not available to children in families currently receiving a DES child care subsidy. Families who are on the waiting list for DES subsidized child care are eligible for scholarships but are required to accept the DES subsidy when offered. Declining the subsidy will result in the loss of any child care scholarships a family receives.

7. Children enrolled in part-time programs (less than 28 hours per week) may receive part-time scholarships.

8. The maximum number of scholarships available to any given family is two.

9. Scholarships may accommodate families working non-traditional hours.

10. The child(ren) receiving the scholarship must be a U.S. citizen or a legal resident of the U.S.

11. Pre-Kindergarten scholarships are reimbursed through the monthly reporting process administered by VSUW.

12. It is the responsibility of the provider to inform families of any costs not covered by the scholarship at the time of enrollment.

Navajo Nation Scholarships Eligibility

Parents interested in applying for a Navajo Nation Scholarship MUST apply through VSUW. Applications forwarded from child care providers will not be reimbursed until they have been approved by VSUW. The following is required:

1. Submit application and proof of residency form (with chapter official signature)to:

   Valley of the Sun United Way
   1515 E. Osborn Rd.
   Phoenix, AZ 85014
   Regional Scholarship Helpline:
   1-866-973-0012 or 602-240-6325
   Fax: 602-240-6326
   Email: RegionalScholarships@vsuw.org

2. Provide documentation that one parent attends a post-secondary institution (minimum six credit hours per semester, including summer semester).

3. Be a resident of Arizona with a permanent Navajo Nation address.

4. Have a household income at or below 300% of the FPL.

5. Have a child or children between the ages of birth through age five (and not yet in kindergarten).

6. VSUW will review the application and notify the family of the supporting documentation needed to complete the application process.

7. Navajo Nation Scholarships are awarded to the families, not to the provider, based on the above requirements.

8. VSUW will notify the provider if a family has chosen their site to use the scholarship.
9. Navajo Nation Scholarships are reimbursed through the monthly online reporting process administered by VSUW.

10. **It is the responsibility of the provider to inform families of any costs not covered by the scholarship at the time of enrollment.**

**Teen Scholarships Eligibility**

Teen Scholarships are allocated by Child & Family Resources and by the Tempe Union High School District Adolescent Parenting Program. These scholarships are available only in the North Phoenix and Central Maricopa regions.

1. Parent MUST be enrolled and compliant with the program administered by Child & Family Resources or the Tempe Adolescent Parenting Program. Child care scholarships are a benefit of the program.
2. Only providers in North Phoenix or Central Maricopa can be reimbursed for Teen scholarships and teen parents must live or attend school in the North Phoenix or Central Maricopa regions.
3. Child & Family Resources or the Adolescent Parenting Program will notify the provider directly if the teen parent has chosen their facility.
4. Teen parents, pregnant or parenting (19 years or younger) are eligible.
5. Parents transition out of the program on their 20th birthday. If a parent ages out in good standing, the scholarship will be honored until the end of that fiscal year.
6. Teen Scholarships are awarded to the families, not to the provider, based on the above requirements.
7. Teen Scholarships are reimbursed through the monthly online reporting process administered by VSUW.
8. **It is the responsibility of the provider to inform families of any costs not covered by the scholarship at the time of enrollment.**

5-2. REQUIRED DOCUMENTS

For each child participating in the Scholarships program, providers are required to maintain a file at the site location that includes:

- a family application
- verification of income,
- proof of citizenship for the child receiving the scholarship, and
- supporting documents as outlined on family application

VSUW will evaluate these items if for all programs selected to participate in Fiscal Monitoring (see section IX for detailed information about Fiscal Monitoring).

**DES Subsidy Application**
QF Scholarships are not meant to replace DES subsidy. If the child is on the DES waitlist and then becomes eligible for DES child care benefits, the child must take the DES child care subsidy and relinquish the QF Scholarship. During Fiscal Year 2014 (July 1, 2013 – June 30, 2014), please award scholarships to all families that qualify whether or not they have DES subsidy application documentation. If a family has documentation that they have applied for DES, please include that in the child’s file. During Fiscal Year 2015 (July 1, 2014 – June 30, 2015), this type of documentation will be required. Specific information about the requirements will be forthcoming.

**Income Verification**

Family Household is defined by tax records: A copy of the family’s most current annual income tax return (pg.1 of short form or pg.1 & 2 of long form) with listed dependents is REQUIRED for eligibility verification along with the following:

- If receiving any public assistance, provide:
  - documentation of assistance (applies to programs such as AHCCCS, KidsCare, Food Stamps, Free and Reduced lunch program, etc.)
- If parent or guardian is/are working, provide:
  - one month of current consecutive pay stubs (calculate pay stubs to verify annual income); or
  - written statement from employer, including gross annual income or hourly rate with the average number of hours worked per week
- If parent or guardian is/are self-employed, provide:
  - weekly/monthly ledgers verifying gross income, receipts for business income and expense for the last three months; or
  - signed and notarized profit and loss statement
- If parent or guardian is/are unemployed:
  - if receiving unemployment benefits, provide an unemployment insurance statement or letter from previous employer
  - if parent/guardian is a stay-at-home guardian, provide a signed personal statement of why they choose to stay home (care for another child or ailing family member, etc.)
  - if homeless, provide a signed statement from case manager or a signed personal statement explaining circumstance
    - in cases of homelessness, tax record requirement can be waived if unavailable
- If parents are divorced:
  - Joint custody - both parent's income is to be counted
  - Sole custody - count income of parent with physical custody or who claims child as dependent on tax record
- If parent or guardian is/are attending school or training, provide:
  - Current statement from school or training program verifying start and end dates of the activity such as a school schedule or transcripts.
• Navajo Nation scholarships require a minimum of six credits for each semester, including summer. New course enrollment documents are required for each semester.

It is not necessary to count non-taxable benefits when calculating income eligibility such as military housing, etc.

Residency & Age Verification
The child(ren) receiving the scholarship must be a U.S. citizen or a legal resident of the U.S. To verify this information, provide:

• Birth certificate or delayed birth certificate issued by any state in the United States; U.S. Passport; Social Security Card; or
• U.S. certificate of birth abroad; foreign passport with a United States Visa; I-94 form with photograph; U.S. citizenship; or
• Immigration services employment authorization document or refugee travel document; U.S. certificate of naturalization; or
• U.S. certificate of citizenship; Tribal certificate of Indian blood; Tribal or Bureau of Indian Affairs affidavit of birth.

SECTION VI – DATA AND REPORTING REQUIREMENTS

6-1. DETAILED REPORTING INSTRUCTIONS
Providers are required to submit monthly reports online at AZFTFSCHOLARSHIPS.ORG

Logging In
• Go to www.AZFTFScholarships.org
• To log-in, enter your user name and password in the provider log-in area on the home page or “Current Providers” tab.
• You will have multiple log-in information if you have multiple sites for your programs.
• If you forgot your password you can click on “forgot your password” and receive a new one.
• Monthly reports must be submitted online during the first 7 days of the month. If monthly reports are not submitted online during this time-frame, your report is considered late and your payment will be delayed until the following monthly reimbursement cycle.

Answering the Monthly Report Questions
• Once you are logged in, click on “Reporting” at the top of the page.
• Click on the green “New Report” button.
• Make sure you answer ALL the questions.
• Reporting Period - There is a dropdown at the top of the page that defaults to the current month. Please complete and submit the reimbursement report for the current month first to avoid a delay in your reimbursement. If you have un-submitted reports for prior months, see section 6-2 - Late Monthly Reporting for more information.
• **Question 1** - The top of the page summarizes what VSUW has on record for your facility. Please verify that this information is correct by answering question 1. If you answer YES to question 1, then you **must** include additional information in the boxes labeled 1a.

• **Question 2** - If you answer YES to question 2, then you **must** include additional information in the boxes labeled 1a and 2a, respectively.

• **Question 3** – Waitlist children. Please update this every month as it allows us to reallocate slots to providers who have families to fill the slots.

• **Questions 4 and 5** - Answers to questions 4 and 5 must be in numeric form only and must match the “Date Child Enrolled” and “Date Child Vacated” in question 7.

• **Question 6** - This is a notes section. Please provide any explanations or additional information that you would like to share with VSUW, i.e. reason for long term absences, reason for discrepancies in child data from previous month.

• **Question 7** – Children
  - This is the information relating to the children for whom you are requesting reimbursement.
    - **Scholarship type** – please choose the correct choice from the drop down menu as reimbursement rates may vary for the different scholarship types. The scholarship types are Child Care, Pre-K, Teen and Navajo Nation. You will only see drop down choices for the scholarship types your facility has been allocated. If you feel a scholarship type is missing from your drop down menu, please contact VSUW.
    - **Child’s name** - make sure the spelling is correct.
    - **Child’s birthday** – verify that you have entered the correct birthdate as it determines the type of care (infant, toddler, preschool) and reimbursement rate. Use the MM/DD/YYYY format.
    - **Date child enrolled** – enter the date in which the child enrolled in the First Things First Scholarship program (i.e. the date that the child started receiving a scholarship). Use the MM/DD/YYYY format.
    - **Date child vacated** – if a child vacates your facility or dis-enrolls in the First Things First Scholarship program during the month, please enter that date here. Use the MM/DD/YYYY format. This date needs to match the # days attended and/or the # of days absent. For example if a child vacated on the 5th day of the month and attended all five days, you would enter “5” for # of days attended and “0” for number of days absent. You enter “0” for # of days absent because the child was not absent, he was dis-enrolled. Please do NOT enter a future vacate date, wait until the child has left your program and then enter the actual vacate date. The following month’s report will auto populate with the children from the previous month, please remove the child that vacated during the previous month by clicking the red “X” at the far right of that child’s information line.
    - **Type of care** – this will auto fill based on the child’s birthdate.
    - **Time of care for scholarship** – this is either full-time or part-time depending on how you have distributed your facility’s scholarships. You have been awarded a specific number of full-time scholarships. You may divide a full-time scholarship into two part-time scholarships. If the child
is using a full-time scholarship choose “full-time”, if the child is using a part-time scholarship, click “part-time”.

- **Special Needs** – please click the box if the child has any special needs.
- **Family size** – this is the number of family members in the household that the parent/guardian listed on their application and the number you used to determine if their income qualified for scholarships.
- **# of days attended** – please enter all the days the child was in attendance at your facility.
- **Rate for billable days** – this is the amount you would invoice the child for the month, **regardless of whether or not they have a scholarship** (your standard monthly rate for the child). Do **not** put your daily or weekly rate in this space and do **not** put your reimbursement rate in this space. It is simply the amount that you would normally charge ANY family receiving these services at your facility.
- **Family’s annual gross income** – this is the amount you used to qualify the child for the scholarship using the families tax forms and pay stubs. Use only numbers in this field. Special characters such as dollar sign ($) **must not** be entered.
- **Parent’s out of pocket costs** – this is the amount the parent pays (copay) for child care in your facility that is NOT covered by the scholarship. It is not mandatory for you to charge a copay. Ideally, the copay will not exceed 10% of the family’s annual gross income. Use only numbers in this field. Special characters such as dollar sign ($) **must not** be entered.
- **# of absences** – this is the number of days the child was absent during the month. This should include sick days and vacation days. If the child enrolls during the current month you will **NOT** include days prior to the enrollment date. If the child vacates during the current month, you will **NOT** include days after the vacate date.
- **SAIS number** – this is the unique child ID that ADE has provided to children on Pre-K Scholarships. This is only a required field for children receiving Pre-K Scholarships.
- **X** – the red “X” at the far right of each line can be used to delete children entered in error or children that vacated during the previous month.
- **Add child** - to add a new child click the “Add Child” button on the far right of the page.

- Click the “Submit” button to save your work. You will be able to update and make changes to the report during the reporting cycle (first seven days of the month).
- While completing your monthly report, **DO NOT** click on the browser’s back arrow on the top left of your screen. If you need to go to a previous page please use the “back” or “cancel” button at the bottom of the reporting pages.
- When you have entered/updated all the children on your report and have answered all the questions, click the green “NEXT” button at the bottom of the page. A verification page will appear. Please review the report carefully, making sure you have updated all the information.
- Click on the “Report Verification” box and then click on the “Submit” button.
Once your report is submitted, you may make changes to the current report during the current reporting cycle (the first seven days of the month). Once the cycle has closed, please call VSUW to assist you with any necessary changes.

6-2. LATE MONTHLY REPORTING

Late reports are strongly discouraged. It is important to report every month during the reporting period to ensure efficiency of the scholarship program and timeliness in your reimbursement.

- Late reports must be submitted online by the provider. Faxed or emailed reports will not be accepted.
- Providers may only submit late reports for up to two consecutive months.
- Providers will NOT be paid if they report more than 60 days late and providers will only be paid for up to two months in arrears.
- Reimbursement for late reports will be paid during the next month’s regular payment cycle, no special checks or payments will be issued for late reports.
- To submit a late report:
  - Log into your account on to www.AZFTFScholarships.org and click on “Reporting” at the top of the page.
  - Click on the green “New Report” button.
    - From the drop down menu at the top of the reporting page choose the month of the late report you would like to submit. If the month is not listed you are no longer able to submit a report for that month.
    - Once you have chosen the month, follow the reporting instructions listed in the section above to complete the report. When completed, hit “submit”.
    - Late reports will go into an approval queue.
    - VSUW staff will review the report and, if approved, reimbursement will be included in the next month’s payment cycle. VSUW staff will contact you if they have any questions.
- Adjustments to past reports cannot be done online and must receive written approval from VSUW staff. Adjustments will only be made to reports for the previous two months. Please contact VSUW if you have an adjustment to a past report.

6-3. WAIVER FOR SUBMITTING A MANUAL MONTHLY REPORT

Providers are required to submit their monthly reports online to participate in the First Things First Scholarships program.

- If a provider’s location is in a remote area and for geographical reasons does not have consistent access to the internet, the provider must request a waiver to submit monthly reports via fax or mail. Waiver requests must be sent in writing and be received by VSUW prior to the first of the month. If approved, VSUW will provide a written response waiving the online monthly reporting requirement.
• Faxed, emailed or mailed reports will not be accepted and will not be reimbursed without a prior written waiver from VSUW.
• Faxed, emailed or mailed reports that have received a written waiver must be RECEIVED by VSUW during the first five business days of the month or they will be considered late resulting in a delayed reimbursement.
• Providers will NOT be paid if they report more than 60 days late and providers will only be paid for up to two months in arrears.
• If a provider does not have the technology required for monthly reporting, the provider must use a computer at another location or at their local library.

SECTION VII – PAYMENT PROCESS

7-1. REIMBURSEMENT POLICIES
Reimbursement payments are issued by VSUW to providers before the end of the month following the services. Typically this is the Friday of the third full week of the month.

• If the month starts on a Wednesday, Thursday, Friday or Saturday, payments are typically issued on the fourth Friday.
• If the month starts on a Sunday, Monday or Tuesday, payments are typically issued on the third Friday of the month.

• Reimbursement amounts for Child Care, Teen and Navajo Nation scholarships are based on the DES 2010 Child Care Market Rate Survey. Pre-Kindergarten scholarships are reimbursed at a fixed rate.
  o Reimbursements are paid on a monthly basis for the reported attendance of scholarship recipients.
  o Considerations for children who are biologically one age, but have developmental delays that would necessitate an exception to the age band must be reviewed and approved by VSUW and FTF.
• Providers will not be reimbursed if they do not submit a monthly report. This applies to all providers and all scholarship types.

7-2. MONTHLY PAYMENTS
Payments are issued to providers via paper checks and direct deposit.

• For direct deposit, providers must fill out an ACH form and provide a copy of a voided check. This authorization is to remain in full force and effect until the Provider has received written notification from either party of its termination in such time and in such manner to afford AGENCY and DEPOSITORY a reasonable opportunity to act on it. If there are any changes to banking information, it is the responsibility of the provider to inform VSUW.

SECTION VIII – INFORMATION SHARING

8-1. INFORMATION SHARING WITH FTF
VSUW will share with FTF all information that is entered into the web portal by the provider. This includes family information and provider information. Information sharing with FTF is required to participate in the Scholarship program.

8-2. INFORMATION SHARING WITH PUBLIC
VSUW does not directly share any family information with the public. FTF may share family information in audits, with other state agencies for program compliance and use it publicly in aggregate, both regionally and statewide. Provider information is shared with the public via the Scholarships website (www.AZFTFs Scholarships.org) and is limited to address and location information.

SECTION IX – FISCAL MONITORING PROCEDURES

9-1. OVERVIEW OF VSUW FISCAL MONITORING PROCEDURES
VSUW will review a minimum of 10% of providers in each region. Typically 25% of participating providers will be audited during the year.

- During the fiscal monitoring VSUW staff will verify the accuracy of provider monthly reports and the required documentation as outlined in section 5-2 of this manual. The audit includes Child Care, Pre-K, Teen, and Navajo Nation scholarships.
- Participating providers will be contacted with a date and time for the fiscal monitoring. VSUW scholarship team strives to provide each provider with at least 48 hours’ notice.
- A minimum of 100% of children’s files for two randomly selected months will be reviewed and will include all age categories when possible (the reviewer has the discretion to increase the number of months to review). If non-compliance is found, 100% of files for all months within the fiscal year will be reviewed.
- At least one parent interview will be conducted – provider must provide reviewer with a parent contact phone number.
- Reviewers shall be provided with an office environment to conduct the review, when possible.
- Child and parent names and documents must be maintained in a secure environment at the site/administrative home office.
- Copies of documents must be made upon request of the reviewer.
- Reviewers will take a complete provider file to the site review that will include the application, reconciliation report, and financial payment records.
- Additional information that pertains to the Scholarships program will be requested such as a copy of your rate sheet or parent handbook outlining private pay rates.

9-2. DOCUMENTS REQUIRED BY PROVIDERS
As a participant in the First Things First Scholarship program, the provider agrees to allow VSUW to conduct on-site reviews and audits of its records and documentation associated with the program. VSUW will be reviewing the following documents for every child on the Scholarship program during the fiscal monitoring below:
➢ A current year family application signed and dated by parent must be on file for ALL children receiving QF Scholarships.
   o Parents must fill out new applications and provide new documentation at the beginning of each fiscal year (July 1) or school year for public schools.

➢ Required - A copy of the family's most current annual income tax return (pg.1 of short form or pg.1 & 2 of long form) with listed dependents.

   • Public assistance verification requirements:
     o Documentation of assistance (applies to programs such as AHCCCS, KidsCare, Food Stamps, Free and Reduced lunch program, etc.)
   • If parent or guardian is/are working, provide:
     o One month of current consecutive pay stubs (calculate pay stubs to verify annual income); or
     o Written statement from employer, including gross annual income or hourly rate
   • If parent or guardian is/are self-employed, provide:
     o weekly/monthly ledgers verifying gross income, receipts for business income and expense for the last three months; or
     o signed and notarized profit and loss statement
   • If parent or guardian is/are unemployed:
     o If receiving unemployment benefits, provide an unemployment insurance statement or letter from previous employer
     o If parent/guardian is a stay-at-home guardian, provide a signed personal statement of why they choose to stay home (care for another child or ailing family member, etc.)
     o If homeless, provided a signed statement from case manager or a signed personal statement explaining circumstance
       ▪ in cases of homelessness, tax record requirement can be waived if unavailable
   • If parents are divorced:
     o Joint custody - both parent's income is to be counted
     o Sole custody - count income of parent with physical custody or who claims child as dependent on tax record

➢ The child(ren) receiving the scholarship must be a U.S. citizen or a legal resident of the U.S. To verify this information, provide:

   • Birth certificate or delayed birth certificate issued by any state in the United States; U.S. Passport; Social Security Card; or
• U.S. certificate of birth abroad; foreign passport with a United States visa; I-
94 form with photograph; U.S. citizenship; or

• Immigration services employment authorization document or refugee travel
document; U.S. certificate of naturalization; or

• U.S. certificate of citizenship; Tribal certificate of Indian blood; Tribal or
Bureau of Indian Affairs affidavit of birth.

QF Scholarships are not meant to replace DES subsidy. Parent/guardian’s should
also submit an application for DES child care assistance. If the child is on the waitlist
and then becomes eligible for DES childcare benefits, the child must take the DES
child care subsidy and relinquish the QF scholarship.

➢ VSUW will be reviewing the attendance of every child enrolled on the Scholarships
program during the months of focus of the fiscal monitoring. Providers will be
required to provide the following documentation:

• Copies of sign-in and sign-out sheets or similar documentation showing days
attended.
• Copies of parent out of pockets costs calculation if applicable.
• A copy of your rate sheet or parent handbook outlining your private pay rates.

9-3. GUIDELINES FOR PROVIDER SELF AUDIT

Programmatic Review of Procedures
• Attendance sheets for months enrolled
  o If documents are not found on file, provider will have 10 business days to send
    VSUW proof of attendance.
    ▪ If documents are not received within the 10 business days, provider will be
      required to reimburse VSUW for the children in question for the length of the
child’s enrollment in the program or VSUW will deduct the amount from a
future reimbursement payment.
• Siblings receiving scholarships – Only two slots are permitted per family (full-time or
  part-time)
  o If more than two children per household are enrolled in the program, provider will
    have the option to keep the two children of their choice.
    ▪ Reimbursement that has been paid for the third child will be deducted from
      future reimbursement payments for the length of the child’s enrollment in the
program.
• Family application must be completed along with verification of household size
  o If family application was not collected or completed with listed information for all
    members of the household, provider will have 10 business days to send VSUW a
completed FY14 application form along with eligibility documents.
• If documents are not received within the 10 business days, provider will be required to reimburse VSUW for the children in question for the length of the child’s enrollment in the program or VSUW will deduct the amount from a future reimbursement payment.

• Proof of income for all parents/guardians living in the household
  o If family is over the 200% FPL, child(ren) will be removed from scholarship immediately.
    ▪ Reimbursement that has been paid for the third child will be deducted from future reimbursement payments for the length of the child’s enrollment in the program.
  o If family income was not collected for all members of the household, provider will have 10 business days to send VSUW proof of eligibility.
    ▪ If documents are not received within the 10 business days, provider will be required to reimburse VSUW for the children in question for the length of the child’s enrollment in the program or VSUW will deduct the amount from a future reimbursement payment.

• Proof of citizenship or legal residency of child
  o If documents are not found on file, provider will have 10 business days to collect and send VSUW proof of citizenship.
    ▪ If documents are not received within 10 business days, provider will be required to reimburse VSUW for the children in question for the length of the child’s enrollment in the program or VSUW will deduct the amount from a future reimbursement payment.

• Age corresponds to monthly report
  o Age will be verified by using the DOB noted on the proof of citizenship form.
    ▪ If child is missing proof of citizenship, reviewer can verify DOB by using child’s immunization records.
    ▪ If DOB is listed incorrectly on monthly report, reviewer will amend all monthly reports and request reimbursement if needed.

• Children no longer at facility
  o If provider does not have proper documentation and a child is no longer receiving care at the facility, the provider must contact the family to obtain the required documentation and forward the documents to VSUW.
    ▪ If documents are not received within 10 business days, provider will be required to reimburse VSUW for the children in question for the length of the child’s enrollment in the program or VSUW will deduct the amount from a future reimbursement payment.

9-4. LIABILITY INSURANCE REQUIREMENTS

The insurance requirements herein are minimum requirements and in no way limit the indemnity covenants contained in the Provider Agreement. FTF and VSUW in no way warrants that the minimum limits contained herein are sufficient to protect the Grantee from liabilities that might arise out of the performance of the work under this agreement provider, its agents, representatives, employees or subcontractors, and provider is free to purchase additional insurance.
**Large Centers**

Large Centers are defined as those expecting to receive $50,000 or greater in scholarships per fiscal year. Providers shall provide coverage with limits of liability not less than those stated below.

- **Commercial General Liability** – Occurrence Form. Policy shall include bodily injury, property damage, personal injury and broad form contractual liability coverage.
  - General Aggregate: $2,000,000
  - Products – Completed Operations Aggregate: $1,000,000
  - Personal and Advertising Injury: $1,000,000
  - Blanket Contractual Liability – Written and Oral: $1,000,000
  - Fire Legal Liability: $50,000
  - Each Occurrence: $1,000,000
    - The policy shall be endorsed to include coverage for sexual abuse and molestation.
    - The policy shall be endorsed to include the following additional insured language: “Valley of the Sun United Way, its officers, boards, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the provider”.
    - Policy shall contain a waiver of subrogation against Valley of the Sun United Way, its officers, boards, and employees for losses arising from work performed by or on behalf of the provider.

- **Business Automobile Liability** - Bodily Injury and Property Damage for any owned, hired, and/or non-owned vehicles used in the performance of this Contract.
  - Combined Single Limit (CSL): $1,000,000
    - The policy shall be endorsed to include the following additional insured language: “Valley of the Sun United Way, its officers, boards, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the provider, involving automobiles owned, leased, hired or borrowed by the provider”.
    - Policy shall contain a waiver of subrogation against Valley of the Sun United Way, its officers, boards, and employees for losses arising from work performed by or on behalf of the provider.

- **Worker's Compensation and Employers' Liability**
  - Each Accident: $500,000
  - Disease – Each Employee: $500,000
  - Disease – Policy Limit: $1,000,000
    - Policy shall contain a waiver of subrogation against Valley of the Sun United Way, its officers, boards, and employees for losses arising from work performed by or on behalf of the provider.

- **Professional Liability** (Errors and Omissions Liability)
Each Claim $1,000,000
Annual Aggregate $2,000,000

- In the event that the professional liability insurance required by the Provider Agreement is written on a claims-made basis, provider warrants that any retroactive date under the policy shall precede the effective date of the Provider Agreement; and that either continuous coverage will be maintained or an extended discovery period will be exercised for a period of two (2) years beginning at the time work under the Provider Agreement is completed.

Small Centers
Small Centers are defined as those expecting to receive less than $50,000 in scholarships per fiscal year. Providers shall provide coverage with limits of liability not less than those stated below.

- **Commercial General Liability – Occurrence Form.** Policy shall include bodily injury, property damage, personal injury and broad form contractual liability coverage.
  - General Aggregate $1,000,000
  - Products – Completed Operations Aggregate $500,000
  - Personal and Advertising Injury $500,000
  - Blanket Contractual Liability – Written and Oral $500,000
  - Fire Legal Liability $25,000
  - Each Occurrence $500,000
    - The policy shall be endorsed to include coverage for sexual abuse and molestation.
    - The policy shall be endorsed to include the following additional insured language: “Valley of the Sun United Way, its officers, boards, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the provider”.
    - Policy shall contain a waiver of subrogation against Valley of the Sun United Way, its officers, boards, and employees for losses arising from work performed by or on behalf of the provider.

- **Business Automobile Liability**
  - Combined Single Limit (CSL) $500,000
    - The policy shall be endorsed to include the following additional insured language: “Valley of the Sun United Way, its officers, boards, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the provider, involving automobiles owned, leased, hired or borrowed by the provider”.
    - Policy shall contain a waiver of subrogation against Valley of the Sun United Way, its officers, boards, and employees for losses arising from work performed by or on behalf of the provider.
• **Worker's Compensation and Employers' Liability**
  - Each Accident $100,000
  - Disease – Each Employee $100,000
  - Disease – Policy Limit $100,000

• **Professional Liability (Errors and Omissions Liability)**
  - Each Claim $500,000
  - Annual Aggregate $1,000,000
  - In the event that the professional liability insurance required by the Provider Agreement is written on a claims-made basis, provider warrants that any retroactive date under the policy shall precede the effective date of the Provider Agreement; and that either continuous coverage will be maintained or an extended discovery period will be exercised for a period of two (2) years beginning at the time work under the Provider Agreement is completed.

### 9-5. CORRECTIVE ACTIONS FOR FISCAL MONITORING

**Fiscal Monitoring Findings**
Findings will be sent to the provider after site visit has been completed. If VSUW requires additional documentation, providers will have 10 business days to return requested documents back to VSUW. If documentation is not received within the 10 business days, future reimbursement payments will be held until documents have been received.

If VSUW determines that the provider needs to reimburse VSUW, the reimbursement amount will be withheld from future provider payments until the balance is paid in full. Failure to comply with fiscal monitoring requirements may result in immediate termination of child’s scholarship and/or removal of provider from the First Things First Scholarships program. If the provider still owes VSUW money at the end of the year, VSUW will decide if the provider will have the amount owed, deducted from future year reimbursements or if the provider will not be allowed to participate in the Scholarships program and will be sent to a collections agency.

**Fiscal Responsibility**
For any funds received under the contract agreement for which expenditure is disallowed by an audit exception by First Things First, the State of Arizona, Federal government, VSUW, or the provider’s own auditors, the provider shall reimburse said funds directly to VSUW within 30 days of notice. The provider shall pay VSUW any monies owed resulting from unfilled scholarship slots or as a result of closure of the provider’s business. The provider agrees to allow VSUW to perform on-site reviews and audits of its records and documentation associated with the program.
Funds and Records Management

The provider shall maintain records of all contracts, papers, correspondence, proofs of payment, ledgers, books, accounts, and other information relating to the payments made to provider in connection with the contract agreement for a period of two (2) years subsequent to the termination of this Agreement. VSUW or its designees may inspect, examine/review and make copies of such records at reasonable times during normal business hours.

SECTION X – QUALITY FIRST GUIDELINES RELATED TO SCHOLARSHIPS

10-1. CONTINUITY OF CARE

First Things First Scholarships are designed to minimize disruptions in care and avoid unnecessary transitions on and off scholarships. Careful planning of continuous funding from one year to the next will assure that children and families do not receive and then lose scholarships suddenly, or that early care and education providers receive intermittent support that is not a reliable foundation upon which to build quality programming.

Attendance policies must support consistency and ongoing participation. Programs must create and implement policies to determine when follow up on non-attendance is required and when families may lose their scholarship due to non-attendance. These policies must be in writing and given to the families at time of enrollment. Programs must document all decisions regarding children’s continued participation.

10-2. TRANSFER OF SCHOLARSHIP

Scholarships are awarded to enrolled QF Child Care sites to distribute to eligible families based on family eligibility criteria determined by FTF. Scholarships are not awarded directly to families and thus are not transferrable (excludes Navajo Nation and Teen scholarships). Please be advised that if families would like to move their child(ren) to another QF site, they must re-apply at the desired location and be awarded a scholarship at that site. If the child vacates the center or home they forfeit the scholarship.

10-3. UNUSED SCHOLARSHIPS

 Providers enrolled in the Scholarships program must be diligent about keeping their slots filled.

- Providers must fill all scholarship vacancies within 1 month (30 days) of the vacancy.
- If provider underutilizes the allotted scholarships for 60 days, the unused scholarships will be removed from the program for the remainder of the fiscal year and reallocated to another program in the same region.
- If provider fails to use any of their allotted scholarships for 60 days they will be removed from the Scholarships program for the remainder of the fiscal year and the slots will be reallocated to another program in the same region.
SECTION XI – DISPUTES

11-1. FILING A DISPUTE

Parent/Guardian complaints

- If parents have a concern or complaint about a child’s **safety or well-being**
  - First, they are to contact the Arizona Department of Health Services.
    - Phoenix Office:
      - 150 N 18th Avenue Suite 400
      - Phone: 602-364-2539
      - Fax: 602-364-4768
      - E-mail: dlscclphx@azdhs.gov

- Tucson Office:
  - 400 W Congress Suite 100
  - Phone: 520-628-6541
  - Rural area codes: 800-615-8555
  - Fax: 520-628-6537
  - E-mail: dlscctuc@azdhs.gov

- Flagstaff Office:
  - 1500 E Cedar Avenue Suite 22
  - Phone: 928-774-2707
  - Rural area codes: 800-615-8555
  - Fax: 928-774-2830
  - E-mail: dlscclfllg@azdhs.gov

- Second, they should contact VSUW.
  - If parents have a concern about their scholarship they should call the VSUW helpline at 602-240-6325 / 866-973-0012 or send an email to regionscholarships@vsuw.org.
  - VSUW will work with the parent and provider to find a resolution.

Provider complaints

- Providers should send written concerns to VSUW QF Scholarships staff via mail or email: regionscholarships@vsuw.org.
- VSUW staff will respond by phone or email and work with the provider to find a resolution to the issue.

11-2. DISPUTE RESOLUTION

Parent complaints

- VSUW will work with the provider to clarify and attempt resolution. In some cases, First Things First, the Quality First Coaching Grantee, the Child Care Health Consulting Team or other program may be contacted to support the program with the concern.

Provider complaints
- VSUW staff will research the issue and report back findings and a decision to provider within 10 business days. First Things First will be notified of the complaint and resolution.

11-3. APPEAL PROCEDURE

Providers may appeal any Scholarship decision in writing to VSUW. If the appeal is in response to a fiscal monitoring decision, the written appeal must be received by VSUW within 10 business days from Provider’s receipt of Fiscal Monitor findings. VSUW will review Provider’s appeal and will reply with a decision to Provider within 10 business days. First Things First will be notified of the appeal and resolution.

SECTION XII – ATTRITION GUIDELINES FOR SLOT REDUCTION

12-1. CHOICE OF CHILDREN TO REMOVE FROM SCHOLARSHIP

It is the goal to ensure that programs will not be required to attrition any children during the fiscal year. VSUW recognizes the difficult decisions providers have to make when deciding which children should be removed from the Scholarships program. When making attrition decisions, please use the guidelines below:

- **Highest need** - keep families with the highest need on the Scholarships program. Use the chart in section 3-2 to determine those with the highest need.
- **Continuity of care** - children who recently enrolled may have less continuity in their care than a child who has been in your program for several years and using a scholarship.
- **Inclusion of children with special needs** – children with special needs benefit from participating in a quality program and other children benefit from interacting with children that have special needs.

12-2. ASSISTANCE TO PARENTS LOSING SCHOLARSHIPS

Child Care Scholarships are not transferrable to other providers (excluding Navajo Nation and Teen Scholarships). Families losing their scholarship may benefit from the following information:

- Other QF programs may have available scholarships. Refer parents to the Scholarships website to search for nearby providers: [www.azftfscholarships.org](http://www.azftfscholarships.org).
- Head Start may have available openings. Families can find the programs closest to them by going to their website at [www.azheadstart.org](http://www.azheadstart.org) or by contacting them at 480-557-9607.
- Families can call Child Care Resource & Referral for assistance in finding other child care options at 1-800-308-9000 or 602-244-2678 or [www.arizonachildcare.org](http://www.arizonachildcare.org)
SECTION XIII – TERMINATION OF PROVIDER SCHOLARSHIPS

13-1. NOTIFICATION OF TERMINATION

- If providers are no longer participating in Quality First, scholarships will be removed from the program effective the date their participation in Quality First ended. The program will be notified by VSUW via email.
- If providers choose to decline the Scholarship program with VSUW, confirmation will be sent to the provider via email and scholarships will be reimbursed through the current month.
- If VSUW terminates a provider’s scholarships due to corrective actions, reimbursement will end immediately.

13-2. TIMEFRAME OF FINAL REIMBURSEMENT

Final reimbursement will be made during the following month’s regular payment cycle.

SECTION XIV – CORRECTIVE ACTION

14-1 CORRECTIVE ACTION FOR PROVIDERS

Providers are subject to the following corrective actions:

- Parent complaints
  - Parent complaints will be communicated with the provider.
  - The provider and VSUW will determine a plan of action to find resolution.
  - If multiple complaints are received for the same provider after a plan of action has been implemented, the provider may be terminated from the scholarship program.
  - If resolution is not made within a reasonable time as determined by VSUW, QF or FTF, the provider may be removed from the Scholarship program.

- Failure to report online
  - Providers must submit reports online or they will not be eligible to participate in the scholarship program; exceptions will be made for providers with a written waiver from VSUW.
  - Failure to report online will result in no reimbursement.
  - If provider does not report online for more than two consecutive months, the provider may lose their scholarship slots for the remainder of the fiscal year.

- Late Reports
  - Providers may only submit late reports for up to two consecutive months.
- Providers will NOT be paid if they report more than 60 days late and providers will only be paid for up to two months in arrears.
- Providers who submit more than three late reports within a six month period may be removed from the Scholarships program for the remainder of the fiscal year.
- Late reports will not be accepted after April 7, 2014.

**Fiscal Monitoring**
- Providers will receive a letter with VSUW’s fiscal monitoring findings following the fiscal monitoring.
- Providers must respond with any necessary documents within 10 business days of the date of the letter.
- Failure of provider to provide necessary documents, within 10 business days, will deem the family/child ineligible and the provider will be responsible for paying back all received reimbursement for the family/child in question for the entire fiscal year.
  - If VSUW finds that the provider owes the Scholarships program money, VSUW will hold future provider reimbursements until the debt is paid in full.
  - If money owed back to Scholarships program exceeds the amount of future payments, the provider will be responsible to pay VSUW back by check or credit card.
  - Providers who do not pay back the Scholarships program will not be eligible to participate in the Scholarships program in the future and will be sent to a collections agency.
- If, during a fiscal monitoring, a provider does not have correct and complete documentation for more than 50% of reviewed families/children, they will immediately be removed from the Scholarships program and will be required to pay back reimbursement for all children whose documents are out of compliance.
- Failure to respond to the findings letter will result in immediate suspension of reimbursement payments and removal from the Scholarships program.
- If provider uses more scholarship slots than those allotted and/or reports on scholarship types that have not been allocated to provider’s site, provider will be responsible for paying back all received reimbursement for the family/child in question for the entire fiscal year.
- Failure to abide by policies and procedures manual and/or QF guidelines may result in provider being immediately removed from the Scholarships program.
SECTION XV – APPENDIX

A-1. ADDITIONAL INFORMATION FOR PRE-KINDERGARTEN SCHOLARSHIPS

Programs that are enrolled in QF, have applied to participate in Pre-Kindergarten Scholarships with ADE, and have attained a minimum of a 3-star rating on the QF rating scale will be considered for participation in the Pre-Kindergarten scholarships by ADE. Award letters will be sent via email from ADE. The award letter will indicate total program funding as well as the number of children and months that can be served with the funding. VSUW will send contracts to programs that are chosen to participate in the First Things First Pre-Kindergarten Scholarship program. These programs are expected to follow the guidelines outlined in this manual along with the following:

- Adhere to the Implementation of Services as noted on ADE Guidance Manual
- Pre-Kindergarten Scholarship programs shall be free or as low-cost as possible to the eligible low-income families receiving scholarships.
- Programs that are in subsequent funding years will have 30 days to become fully operational.
  - Fully operational is defined as having the specified number of children, based on your allocation, enrolled and participating in the identified program activities.
- All programs will establish a waiting list to ensure that full enrollment can be maintained at all times and will enroll new students as slots become available.
- Program services must be provided for a minimum of 9 months unless prorated for late start-up
- Children may be enrolled in either a full day or part day of service based on the following definitions and requirements:
  - A full day of service for children is defined as:
    - A minimum of 28 hours (or more) per week
    - A minimum of 4 days per week
  - A part day of service for children is defined as:
    - No less than 12 hours per week
    - A minimum of 3 hours per day
    - A minimum of 3 days per week
    - A two day per week program does not meet the requirements of this grant.

A-2. PROVIDER ACKNOWLEDGMENT PAGE

By signing the VSUW fiscal year 2014 Provider Agreement, Provider is acknowledging that they have read this Quality First Scholarships Policies and Procedures manual and will adhere to provisions and guidelines set forth in this manual.

A-3. FY14 FAMILY APPLICATION

The FY14 Family Application is available on the on Scholarships website at www.AZFTFscholarships.org. Providers must use the FY14 version of the family application for fiscal year 2014 scholarships.