Child Care Stabilization Grant

Reporting Training for Providers www.Michigan.gov/childcare





Fall 2021 Stabilization Grants

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In Michigan, there are 7,926 eligible child care providers which includes 12 federally recognized tribes. Of those providers, 5,910 programs submitted applications for the 5,910 Total Provider Child Care Stabilization Grant Stabilization Grant. Applications We're happy to report that 5,890 programs were approved and 20 were ineligible. In total, Michigan will distribute \$365,572,525 in grant funds.

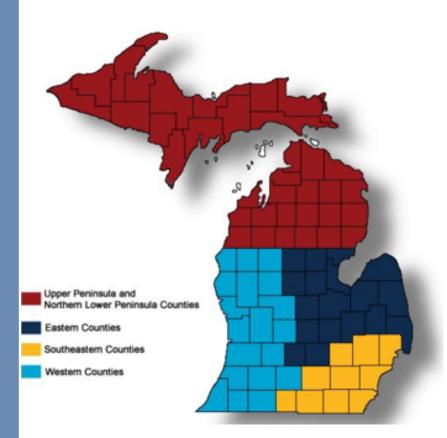
2,961 Submitted Applications 4,475 total Licensed Centers \$108,685 Average grant amount 1,468 total 1,310 Submitted Applications Licensed Group \$20,454 Average grant amount Homes 1,971 total 1,632 Submitted Applications Licensed Family \$10,763 Average grant amount Homes 7 Submitted Applications 12 total Tribal **Providers** \$76,136 Average grant amount





Geographic Location of Grant Awards

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Of the approved applications, the following is a breakdown of applications by provider type and region.

	Licensed Centers	Group Homes	Family Homes	Tribal Centers
Total Applications	2,952	1,306	1,625	7
Northern Region	227	174	173	6
Eastern Region	531	337	330	0
Southeastern Region	1563	408	499	0
Western Region	629	387	623	1
Average Grant Amount	\$108,685	\$20,454	\$10,763	\$76,136





Reporting Requirements

- As the lead agency for this funding the Department of Education is required to submit reports on the spending of the American Rescue Plan Act (ARPA) funds.
- This includes a quarterly report on each grant awarded to a provider and how the funds were utilized by the provider.
- In addition, the Department participates in a monthly monitoring and reporting call to answer questions about the distribution of the grants.

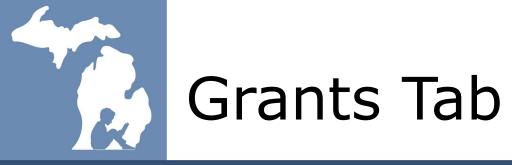


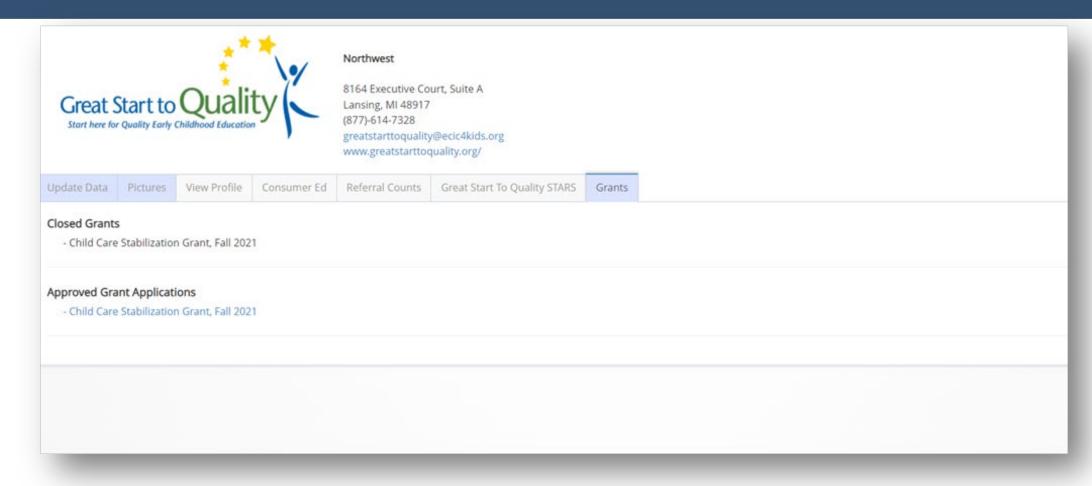


How Do I Fill Out Reports?

Grant Spending Report Recruitment and Hiring Report





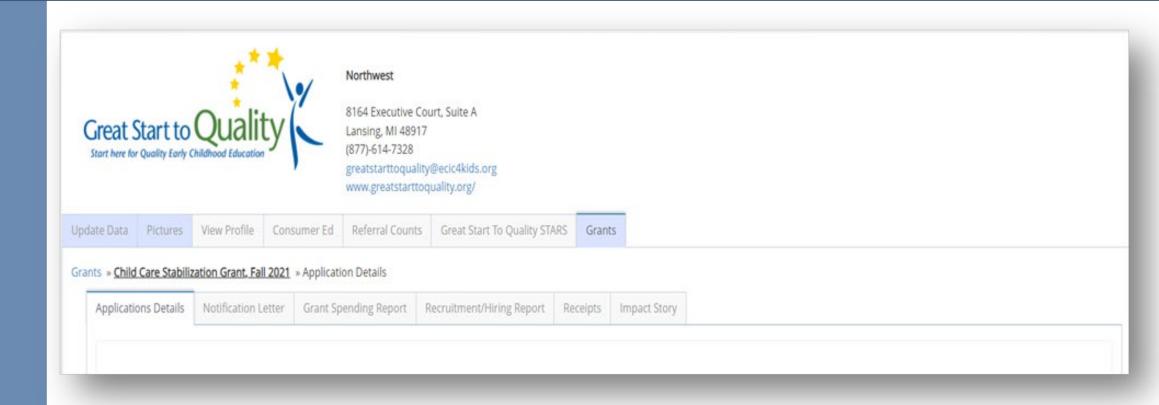




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Reports and Receipts







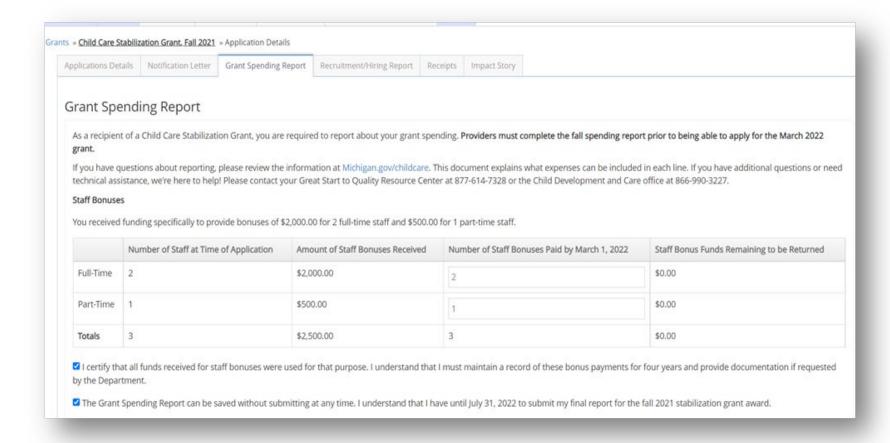
Grant Spending Report

- Includes both staff bonus payments and operational funds.
- Staff bonus payments must be made by March 1, 2022.
- Initial fall 2021 report due **prior** to submitting an application for spring 2022 grant.
- If you are not applying for a spring 2022 grant the final grant spending report for fall 2021 is due no later than July 31, 2023.





Grant Spending Report







Grant Spending Report

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In addition to funding for staff, you received \$19,087.50 from the Child Care Stabilization Grant in fall 2021 Application. This report is required to document that these funds have spent on allowable expenses. The Department will use this information to meet federal reporting requirements.

Only report expenses that you are charging to the Child Care Stabilization Grant funds. As a reminder, you cannot charge expenses to this grant if it has been covered by another dedicated funding source (Head Start/Early Head Start, GSRP, disaster relief funding, CACFP, CARES grants, etc.) or by another federal grant program (for example, the Paycheck Protection Program (PPP), the Public Health and Social Services Emergency fund, or unemployment compensation).

Category	Expenses	Expense Description		
Personnel Costs 1	Funds Used	Expense Description		
Salaries 😉	\$			
Employment Taxes, Self- Employment Tax, and Fringe Benefits 1	\$			
Increased Personnel Salaries/Wages (recruitment bonus, staff bonus, premium pay)	\$			



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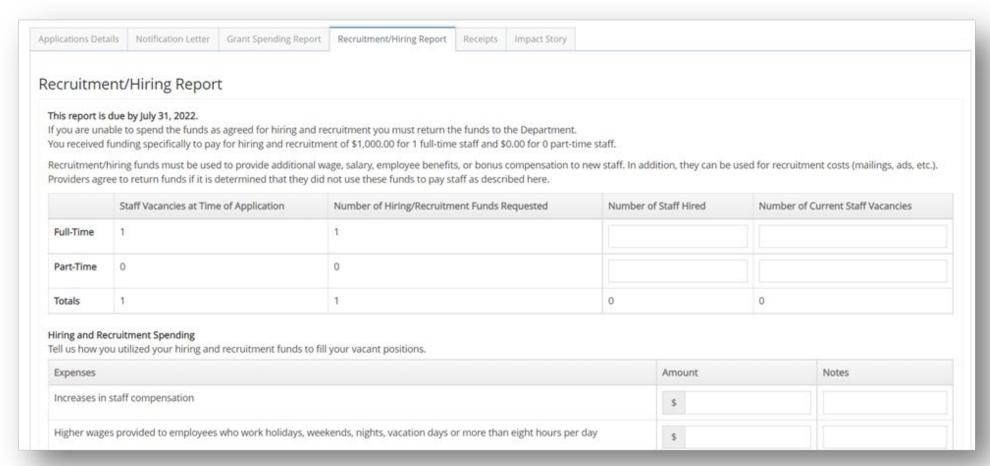
Hiring and Recruitment Report

- Hiring and recruitment funds must be spent by July 31, 2022.
- Hiring and recruitment report due by July 31, 2022.
- Unspent hiring and recruitment funds must be returned.





Hiring and Recruitment Report







Certifications

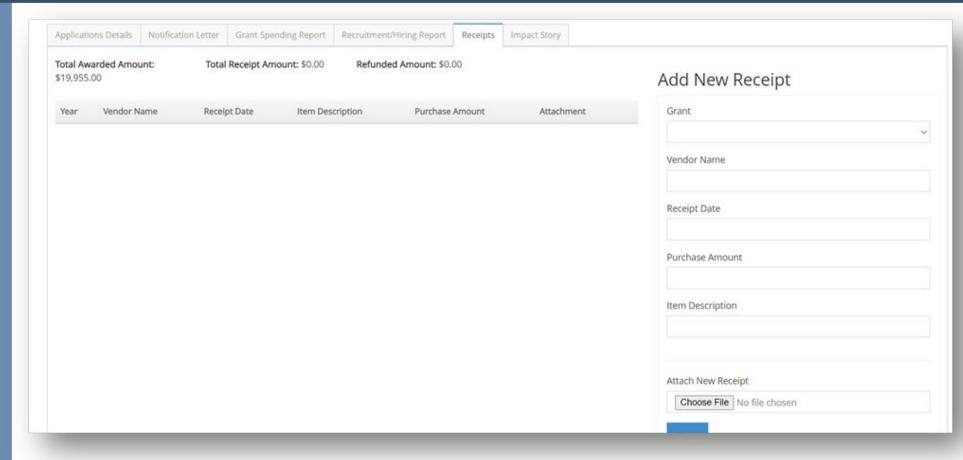
- Grant certifications remain the same as the original applications. You will be certifying that you:
 - Payment of staff bonuses
 - Have spent grant funds on allowable expenses
 - That you will participate in monitoring activities and provide requested documentation
 - That you will notify the Department if you permanently close





Uploading Receipts

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Impact Story

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Applications Details	Notification Letter	Grant Spending Report	Recruitment/Hiring Report	Receipts	Impact Story		
		Impact Grant funds impr nents when appropriate.	oved your child care program	n. We encou	rage you to uploa	ad	Upload Image: Choose File No file chosen Image Description: Submit
Save Cancel						0/5000	



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How Can I Use My Grant Funds?

Resources are available to support you!





Resources Available at MDE Website www.Michigan.gov/childcare

- First Children's Finance documents for Centers and Homes
- MDE Allowable Grant Use document
 - Also indicates documentation to support expenses
- FAQs to answer reporting questions
- Reporting templates
- First Children's Finance tracking tool





First Children's Finance Tracking Tool

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	Amount											
Category	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Personnel												
Owner pay & benefits												
Employee pay & benefits												
Premium pay												
Bonuses												
Vaccine related costs												
Facility Costs												
Mortgage or rent												
Late fees												
Utilities												
Phone & internet												
Maintenance												
COVID-related expenses												
PPE, Cleaning and Safety												
Cleaning supplies												
PPE												
Trainings												
Cleaning services/janitor												
Equipment and Supplies												
Software												
Computers & IT												
Other equipment												
Goods and Services												
Supplies												
Learning materials/toys												
Licensing fees												
Other												
Other												
Other												
Mental Health Services												
Past Expenses												
Other												
Other												
Other												
TOTAL	0	0	0	0	0	0	0	0	0	0	0	0







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Tips, Tools and Resources – MORE Information Coming February 1!

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- ECIC will be hosting some webinars and panels on spending ideas for the operational funds. These opportunities will include a variety of state partners and experts to support you.
- Dates and topics to be shared soon!

www.ecic4kids.org/grants/





Allowable Uses

- Personnel Costs
- Rent, Mortgage, Utilities, Facilities Maintenance, and Insurance
- Personal Protective Equipment (PPE), Cleaning and Other Health and Safety Practices
- Equipment and Supplies
- Goods and Services
- Mental Health Services
- Tuition Relief to Families (not required)
- Past Expenses
- As a reminder, if there is something that is NOT ALLOWABLE under the grant, you can use tuition funds collected from families for those items.





What is an Allowable Use?

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Four questions to ask yourself:

- Is it required by child care licensing to be in compliance?
- Is it required by my insurance in order to operate my child care business?
- How does it make the environment safer for the children during COVID?
- How does it directly benefit the children in my care and improve my program?





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Timeframe for Spending?

January 31, 2020 – March 11, 2021 allowable uses are specific to COVID public health emergency (see list)

March 11, 2021 – now use expanded allowable uses list

 Costs incurred after the declaration of the public health emergency on January 31, 2020, (but before the March 11, 2021, ARP Act date of enactment), for any of the uses of funds outlined above, as long as those uses were made in response to the COVID-19 public health emergency (including child care operating expenses related to rent and mortgage and facilities; insurance, utilities, internet, phones, personal protective phones, personal protective equipment, sanitation, and health and safety; equipment and supplies; goods and services; and mental health services as described above).



Can I Use These Funds for Taxes?

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Allowable:

- Consulting with a tax preparer
- Employment taxes (part of operating)
- Property tax (part of operating)

Not Allowed:

 To pay state or federal taxes associated with receiving the grant funds







How Do I Document My Expenses?





Personnel Costs - Examples

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 Records or supporting documentation for these types of expenses include: payroll and benefit records; employee timecards; invoices, receipts and check information for professional development trainings; documentation of other benefits provided to child care staff members such as coverage of insurance costs or tuition reimbursement; and bank statements.





Rent, Mortgage, Utilities, Facilities Maintenance and Insurance Payments -Examples

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 Records or supporting documentation for these types of expenses may include: mortgage/rent/space cost statements; utility statements; original invoices and/or receipts for purchases of materials/supplies; and bank statements.





Personal Protective Equipment (PPE), Cleaning and Other Health and Safety Practices - Examples

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 Records or supporting documentation for these types of expenses may include: original invoices and/or receipts for purchases of materials/supplies; employee timecards; invoices, receipts and check information for professional development trainings; and bank statements.





Health and Safety Training Costs - Examples

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 Records or supporting documentation for these types of expenses may include: original invoices or receipts; payroll records; employee timecards; invoices, receipts and check information from professional development training; and bank statements





Goods and Services - Examples

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 Records or supporting documentation for these types of expenses may include: original invoices and/or receipts for purchases of materials/supplies; bank statements; invoices, receipts and check information for professional development trainings.





Mental Health Services and Supports for Children and Employees - Examples

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 Records or supporting documentation for these types of expenses include: original invoices and/or receipts for purchases; employee timecards; invoices, receipts and check information for professional development trainings; and bank statements.





Paying for Past Expenses - Examples

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 Records or supporting documentation for these types of expenses include: original invoices and/or recéipts for purchases; employee timecards; invoices and receipts and check information for professional development trainings; receipts for purchases of supplies/materials; mortgage/rent/space cost statements; utility statements; original invoices and/or receipts for purchases of materials supplies; payroll and benefit records; documentation of other benefits provided to child care staff members such as coverage of insurance costs or tuition reimbursement and bank statements.





Staff Bonuses – What are the Tax Implications?

- A bonus payment broadly defined for tax purposes as anything paid to an employee beyond the employee's regular wage — is treated as a supplemental wage under federal tax law.
- Supplemental wages are taxable when received by the employee and, thus, subject to mandatory tax withholding (federal and state) and employment taxes by the employer.





My Staff Quit!

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If staff quit BEFORE you pay their staff bonus:

- 1) Will you be replacing them before March 1? If so, use the Staff Bonus money for the newly hired staff.
- 2) If not, you will need to return the funds to MDE BY APRIL 1, 2022.

If staff quit AFTER you pay their staff bonus: Report it as paid.





What if I Close my Program?

- By accepting this grant funding you are agreeing to stay open at least until July 31, 2022 or you must return unspent funds to MDE.
- You are agreeing to submit required reports on utilization of spending.
- You agree to maintain records for a minimum of four years and provide if requested by the Department.
- Any unspent funds must be returned to MDE.





Need Ideas for Spending?

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BEFORE you decide to return funds to MDE, we ask that providers reach out to their Great Start to Quality Call Center at 877-614-7328 for ideas on how else they might use their funds.

Remember, Current Expenses are from 3/11/21 to now. What allowable expenses from this time frame have you used tuition dollars on?





If Needed - How Do I Return Grant Funds to the Department

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Very important to follow these steps to ensure funds appropriately returned and the 1099-NEC associated with your grant is adjusted appropriately for tax year 2022!

- FIRST ---- Call the CDC office at 866-990-3227
- Provide the following information:
 - Name
 - Provider license number
 - Phone number
 - Reason for returning the funds
- After MDE establishes a record of the return of funds you will be contacted with next steps.





What if I Was in the Process of a Licensing Change with LARA?

- If your license type has changed since you applied for the grant you can use your grant dollars at the new location.
- WE ARE STILL WORKING OUT REPORTING IN THIS SITUATION.
- Contact your Great Start to Quality Resource Center at 877-614-7328 for help on how you will complete reports on a closed license number.





Grant Monitoring

- Will begin monitoring of grant spending once reports are submitted.
- You are required to hold your receipts for 4 years from when the grant ends (2027 taxes).
- MDE will be auditing between 10 and 20% of the grants awarded, so assume you WILL be audited.
- If audited, you will be required to upload all receipts into your great start to quality profile. You can begin now with your reports and have less to worry about later.





Important Dates to Remember

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February 1	Grant Report Tab Available to Providers in Great Start to Quality profile
March 1	Staff Bonus Funds Must be Paid to Staff
March 22 – May 20	Grant Spending Report Due Prior to Applying for Spring 2022 grant funding
July 31	Recruitment/Hiring Report Due



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Where Can I Get Information and Help?

- www.Michigan.gov/childcare
- ECIC sponsored webinars and panels
 - www.ecic4kids.org/grants/
- Great Start to Quality Resource Centers (877-614-7328) and other community partners can support you with your grant spending and reporting
- Child Development and Care office 886-990-3227
- Questions can also be sent to lfuller@ecic4kids.org

