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**American Rescue Plan (ARP) Act of 2021  
Child Care Stabilization Grants  
Frequently Asked Questions (FAQs)**  
(as of 7/23/2021)

**Q: Who is eligible to apply for a Child Care Stabilization Grant?**

**A:** Child care providers licensed by the Maryland State Department of Education no later than March 11, 2021, as required by Congress, are eligible to receive a grant if they are:

- Open and available to provide child care services on the date the application is submitted, *or*
- Temporarily closed on the date the application is submitted due to public health, financial hardship, or other reasons relating to the COVID-19 public health emergency, but commit to re-open to provide child care services no later than September 7, 2021.

**Q: Is the application worksheet available in other languages?**

**A:** The application is available in Amharic, Arabic, Chinese, French, Korean, Russian, Spanish, Tagalog, Vietnamese, and Yoruba. If you need another language, you may request it in other languages by contacting us at [childcaregrants.msde@maryland.gov](mailto:childcaregrants.msde@maryland.gov). Please use your responses from the worksheet in your preferred language to complete the on-line English application by matching the numbered responses.

**Q: What is the size of the grants?**

**A:** Grants will vary for each provider. Grants will be calculated at an amount equal to a \$15,000 base award and \$300 per licensed slot. This calculation may be helpful in determining how the provider wishes to allocate funds.

**Q: When are grant applications due?**

**A:** Grant applications are due at 4:00 p.m. EST on **August 6, 2021**.

**Q: What is the grant period?**

**A:** The grant period is September 6, 2021-March 6, 2022. Funds should be spent prior to **March 6, 2022**.

**Q: Will this be the only grant opportunity from the ARP Act of 2021 funding?**

**A:** No, we anticipate making additional grants in the future.

**Q: Do I need to submit a Child Care Verification of Reopening form to my licensing specialist?**

**A:** Yes, you must have an approved Child Care Verification of Reopening (VOR) form on file with your licensing specialist prior to submitting an application. Programs can verify that they have a VOR on file by locating their information on the Operating Sites list,

[https://earlychildhood.marylandpublicschools.org/system/files/filedepot/3/license\\_child\\_care\\_lcc\\_20.xlsx](https://earlychildhood.marylandpublicschools.org/system/files/filedepot/3/license_child_care_lcc_20.xlsx).

**Q: Do I need to submit a copy of my child care license with my grant application?**

A: Yes, your license is needed to expedite grant processing and to validate payment accuracy. Grant applications submitted without a readable copy of the provider's license for each application submitted will not be processed.

**Q: If I opened to serve families as an Essential Personnel Child Care (EPCC) provider, do I need to submit a Child Care Verification of Reopening form?**

A: No. The EPCC form was your re-opening form. If you served as an EPPC provider, you do not need to submit a Child Care Verification of Reopening Form.

**Q: If my program is a school-year only program and we are closed for the summer, can we still apply?**

A: Yes, as long as your program is re-opening at the beginning of the 2021-2022 school year, September 2021.

**Q: Will I have to provide receipts or documentation of how funds were spent?**

A: Federal regulations require all recipients of federal funds to keep financial documents for 5 years. You will only be required to produce the receipts if your program is selected for an audit to provide evidence of expenditures, as indicated in your grant. Please keep verification of expenses for up to five years in the event your program is randomly selected for an audit.

Expenditure records and supporting documentation related to costs incurred and how program funding was spent, including but not limited to:

- Mortgage/rent/space cost statements
- Utility statements
- Payroll and benefits records
- Original invoices and/or receipts for purchases of materials/supplies
- Documentation of other benefits provided to child care staff members such as coverage of insurance costs or tuition reimbursement.

**Q: Do I have to repay the grant?**

A: Stabilization Grants DO NOT have to be repaid as long as you meet all of the required certifications listed on the grant application.

**Q: How do I sign up for direct deposit so that I receive payment faster?**

A: As reported in the news, mail delivery has been delayed, especially in rural areas. In order to receive your grant funds faster, please sign up for direct deposit using this form and following the directions:

<https://marylandtaxes.gov/forms/state-accounting/static-files/GADX10Form.pdf>

Please complete all sections of this Enrollment Form and attach either a voided check OR a letter signed by your bank representative, confirming account name, account number, and ABA routing number for ACH payments. Starter checks or counter checks are NOT acceptable. Online credit cards are NOT eligible for ACH transfer. For faster payment, please complete a direct deposit form and send to the Comptroller of Maryland as described on the form <https://marylandtaxes.gov/forms/state->

[accounting/static-files/GADX10Form.pdf](#) **DO NOT SEND DIRECT DEPOSIT FORMS TO MSDE.**

**Q: Do I need to submit a W-9?**

A: Grant recipients must have a W-9 on file to receive a grant. If you did not complete a W-9 for the pandemic relief grants or receive other payments from MSDE, please download this form <https://www.irs.gov/pub/irs-pdf/fw9.pdf> and send to [childcaregrants@maryland.gov](mailto:childcaregrants@maryland.gov). If you received a pandemic child care relief grant dispersed in April – June 2021, do not submit a W-9 form as we already have your W-9 on file.

**Q: Will my grant funds be offset by any previous taxes I owe the State of Maryland or IRS?**

A: Because our accounting systems interacts with multiple systems, any debts owed to the state of Maryland will be “offset” or captured from child care provider payments; HOWEVER, we will release the funds that were captured for a state tax debt the following day via the payment process we initiated for these accounts. Providers impacted by a State of Maryland income tax debt do not need to contact us - our system will automatically release the payment to your account. If you owe money for a federal debt, such as tax due to the IRS, you must contact that federal agency to resolve your federal liability.

**Q: Will I receive a 1099 for the pandemic relief grant funds and do I need to pay taxes?**

A: Yes, you will receive a 1099 for the pandemic relief grant funds from the Office of the Comptroller. Child care providers that receive a grant have a reporting obligation on Form 1099-G if the amount is above \$600. Therefore, you would need to file 1099-Gs to avoid penalties for failure to file (Internal Revenue Code Section 6721) or failure to furnish (§6722).

**Q: I have multiple locations; do I need to complete an application for each location?**

A: Yes, an application must be completed for each location. Each open and operating location is eligible for a grant. If the program has a license number, you will need to submit a separate and complete application for each program.

**Q: What is my Provider ID?**

A: Your Provider ID is on your inspection report. Do not place your social security number in this application. We do not collect social security numbers in the grant application. Nor do we collect birthdates.

**Q: I keep getting an error for question 17 regarding my estimated monthly expenses. What is the issue?**

A: Only use numbers. Do not use words, letters, dollar signs, commas, decimals, fractions, or percent signs in the responses to this question. You will receive an error message if you enter other characters such as words, letters, dollar signs, commas, decimals, fractions, or percent signs. If you continue to have issues enter a 1 in the line and we will adjust the figure during processing. For example, if your expense is \$6,500 enter 6500. You must put a number in each cost line. [Watch the application demo video to see how to complete these questions.](#)

**Q: For question 18, can you provide more information for the categories under allowable uses of funds?**

**A:** Yes. Please see below:

### **Personnel costs**

Family Child Care providers may want to calculate monthly income/salary based on their 2020 net income and include payments made to an assistant or co-provider if applicable. Personnel costs are wages and benefits for child care program personnel, including increases in compensation for any staff in a child care center or family child care providers and their employees; health, dental, and vision insurance; scholarships; paid sick or family leave; and retirement contributions. Other examples of allowable personnel costs include ongoing professional development or training, premium or hazard pay, staff bonuses, and employee transportation costs to or from work. Child care providers may also use resources to support staff in accessing COVID-19 vaccines, including paid time off for vaccine appointments and to manage side effects, as well as transportation costs to vaccine appointments.

### **Rent/Mortgage, utilities, facilities, maintenance, and insurance**

This may also include late fees or charges related to late payment. Grant funds may not be used for construction or major renovations. Allowable facility maintenance and improvements may include, but are not limited to, building or upgrading playgrounds, renovating bathrooms, installing railing, ramps, or automatic doors to make the facility more accessible, and removing non-load bearing walls to create additional space for social distancing. In addition, maintenance and minor renovations to address COVID-19 concerns are appropriate. Improvements that make child care programs inclusive and accessible to children with disabilities and family members with disabilities are encouraged. Please refer to licensing regulations to ensure compliance.

### **Personnel protective equipment, cleaning, and other health and safety practices**

Uses of funds under this category are not limited to those designed specifically in response to the COVID-19 public health emergency and may include equipment, supplies, services, and training that support meeting state and local health and safety guidelines, including those related to the prevention and control of infection diseases, prevention of sudden infant death syndrome and use of safe sleep practices, administration of medication (consistent with standards for parental consent), prevention and response to emergencies due to food and allergic reactions, building and physical premises safety, prevention of shaken baby syndrome and abusive head trauma and child maltreatment, response planning for emergencies from a natural disaster or a man-caused event, handling and storage of hazardous materials and the appropriate disposal of biocontaminants, appropriate precautions in transporting children, pediatric first-aid and CPR, and recognition and reporting of child abuse and neglect.

### **Equipment and Supplies**

This category includes purchases of or updates to equipment and supplies to respond to the COVID-19 public health emergency. So long as the equipment and supplies are in response to the COVID-19 public health emergency, they may include indoor and outdoor equipment and supplies that facilitate business practices consistent with safety protocols and developmentally appropriate practice, as well as business items needed to respond to new challenges, such as business software and upgrades. This

also includes technological upgrades that programs can use to collect data and report to lead agencies.

### **Goods and Services**

Goods and services includes any material good or service necessary for the operation of a child care program. Examples of goods that might be necessary to maintain or resume child care services include food and equipment and materials to facilitate play, learning, eating, diapering and toileting, or safe sleep. Examples of services that are allowable include business automation training and support services, shared services, child care management services, food services, and transportation. The category also covers fees associated with licensing and costs associated with meeting licensing requirements.

### **Mental Health Services**

Providers may use these funds to support the mental health of children and employees. Infant and early childhood mental health consultation (IECMHC), an evidence-based, prevention-based strategy that teams mental health professionals with people who work with young children and their families to improve their social, emotional, and behavioral health and development in the settings where children learn and grow, is one example of an allowable mental health support. The wellbeing of caregivers is also important to stabilizing the child care sector because the mental health and wellbeing of staff impacts training, recruitment, and retention as well as the level of care provided to children. Mental health consultations for staff and other types of mental health supports to staff are also allowable.

### **Paying for Past Expenses**

Prior to the passage of the ARP Act, child care providers incurred substantial financial losses in order to keep providing these essential services to their communities throughout the pandemic, and there were not sufficient resources available over the past year to support the child care sector. Prolonged and short-term closures, reduced hours, tuition adjustments, low enrollment, extra expenses related to sanitation and safety, and accommodations for new safety and staffing protocols have placed many child providers on very precarious financial footing for which prospective stabilization grants will not compensate. These funds are meant to help ensure child care providers' future viability and are an essential component to stabilizing the availability of child care for our families and our communities as we recover from this pandemic.

**Q: What is considered a minor renovation?**

**A:** Minor renovation, including to make programs inclusive for children and family members with disabilities may also include, but not limited to:

- Upgrading the kitchen to add safe electrical outlets and fix plumbing fixtures
- Repainting walls with a non-toxic paint
- Renovating and updating a bathrooms (e.g., sink, faucet, toilet, etc.) to ensure age-appropriateness and child safety
- Replacing cabinets with an adequate storage space for each child's personal belongings
- Installing rails and ramps that are accessible to individuals with disabilities

- Updating a sidewalk to provide a safe pathway for children
- Building or upgrading a playground
- Replacing fire sprinklers, carbon monoxide detectors, and smoke detection systems
- Replacing windows or doors
- Completing a minor roof repair.
- Removing non-load bearing walls to create additional space for social distancing

**Q: Are all certifications required to be checked to receive a grant?**

A: Yes, the U.S. Department of Human Services has required these certifications based on the American Rescue Plan Act of 2021.

**Q: One of the certifications from Congress states, “The child care provider will provide relief from copayments and tuition payments for the families enrolled in the provider’s program, to the extent possible, and prioritize such relief for families struggling to make either type of payment.” How do I do this?**

A: Providers are required to certify they will provide relief “to the extent possible.” Many providers have accomplished this by –

- Waiving co-pays;
- Charging less tuition to assist parents;
- Accepting children enrolled in the child care scholarship program;
- Disregard or reduce the difference owed between the child care provider's tuition and the amount of the scholarship. In other words, accept the scholarship as full-payment; and/or
- Waive or reduce the out-of-pocket cost for tuition, if the parent has more than one child enrolled in child care.

**Q: Are before and after school providers eligible for a grant if they stop serving students when schools are not in session?**

A: Yes, as long as they are operating on September 7, 2021 and maintain their license.

**Q: By what date do grant funds to child care providers need to be spent?**

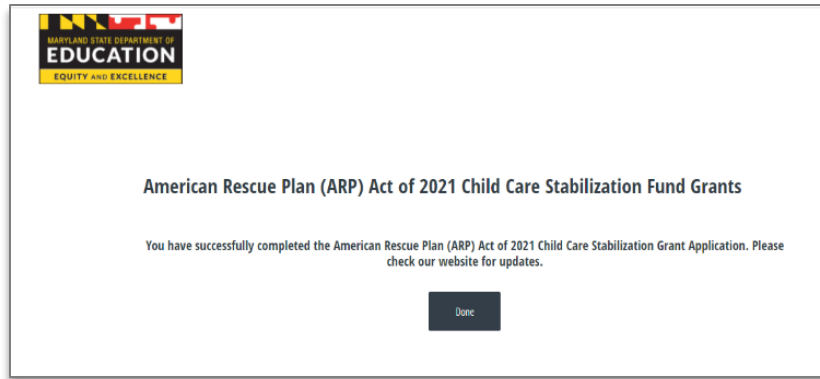
A: Grant funds must be spent by March 6, 2022.

**Q: What do I do if I entered the information incorrectly and already submitted my application?**

A: Please complete the [change form](#) indicating your wish to make a change to your application. Change requests will not be accepted after August 6, 2021. Changes will only be made from the [change form](#). Changes will be processed between August 1-10, 2021 by MSDE.

**Q: How do I know if my application was submitted and received?**

A: There is a list of “Received Applications” at the bottom of the ARP grant webpage. Search for your License Number on the list the day after you submitted your application. If your number is on the list your application has been received by MSDE. **If your number is not on the list, you will need to complete the application again. Your application was not received.** Complete the application again. The image below is what you will see once you have completed and submitted your application.



**Q: How do I search the “Received Applications” list?**

A: Download the list of Received Applications. It is a PDF. Press the "Ctrl" and "F" keys at the same time and a box will open in the upper right hand corner of the list. Enter the program name on your application or license number in the search box.

**Q: My application was submitted, when can I expect to receive my grant?**

A: Grant application processing and changes will begin after the application closes on August 6, 2021. No applications changes will be made until the application deadline has passed. We expect to make all grant payments by September 30, 2021. Child care providers who have direct deposit will receive funds sooner than those that rely on mail.

**Q: My name is on the incomplete application list, why and what should I do to complete my application?**

A: Incomplete applications mean you did not answer all of the questions and hit the submit button to complete the grant application.

- If you begin the application and get to question 4 or further your application is going to be listed in the received application file. Because we are not verifying and processing applications until after the grant ends, incomplete submissions have not been removed from the received application list.
- Do not start or do test applications, complete the worksheet. It is the same as the online application. Once you get into the application and type in anything the submission becomes an application.

**Q: Who can I contact if I have additional questions?**

A: If you have additional questions, please email [childcaregrants.msde@maryland.gov](mailto:childcaregrants.msde@maryland.gov).