

**Policy and Procedure**

***Child Care Fee Subsidy Overpayment  
Program Policy  
Community and Social Services Division  
Children's Services Department***

**Legislative Authority:**

**Day Nurseries Act, O. Reg. 262- Section 1, definition of  
"person in need" (c)  
Fee Subsidy Management : Guideline for the  
Determination of Available Income  
Ontario Works Act O.Reg298/01 Section 19 (1) and 21 (1)  
(4), 28 (6)  
Ontario Works Directive 51 and 44**

**INTENT:** To have a clear and consistent policy as it relates to the collection and administrative procedures for the collection of overpayments that are incurred in Child Care Fee Subsidy Program.

**CRITERIA:**

1. All overpayments must be documented and substantiated on the file. All documentation outlining the current and relevant details must be placed on the client file immediately.
2. All clients and former clients must be advised in writing if an overpayment has incurred.
3. All written notification must include the reasons for the overpayment, the amount, payment options, consequences and the right to an internal review.
4. All reasonable efforts will be made to collect on overpayments in the Child Care Fee Subsidy Program.
5. It will be the responsibility of the Eligibility Review Officers, of the Finance and Special Services Department to prepare and send out all letters regarding Child Care Fee Subsidy overpayments and notification with respect to current or past fee subsidy clients.
6. It will be the responsibility of the Eligibility Review Officer, of the Finance and Special Services Department to negotiate the "Agreement to Repay" (See Attachment A).
7. Only the Children's Services Department will communicate/liaise with its Day Care Providers in scenarios of possible termination of child care fee subsidy for non-payment of arrears.

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8. All files must contain a signed copy ( by both parents if applicable) of the “Responsibility Statement”. The “Responsibility Statement” is to be verbally reviewed with Child Care Fee Subsidy applicants prior the signing of the document.
9. All overpayments must be fully documented and substantiated on the file.
10. All Fee Subsidy Reviews must include a Review and re-signing by both parties, (if applicable) of the “Responsibility Statement”.
11. In the event that the recipient had a spouse or same-sex partner who is also the parent of the child / children when an overpayment was incurred (and they are no longer residing as a couple), notice must be given to both parties and the overpayment will be split equally between the two.
12. In cases, where the overpayment has been incurred due to administrative errors (i.e. miscalculations or failure to act on information), the overpayment will be considered uncollectible. All uncollectible overpayments must be approved by the Manager of Children’s Services. Overpayments that are deemed as uncollectible will not be forwarded to Eligibility Review.
13. No child care fee subsidy overpayments (in Leeds and Grenville or other Ontario municipalities) shall be considered as a “debt” for the purposes of the Form 1 (Determination of Available Income).
14. It will be the decision of the Manager of Finance and Special Services , in consultation with the Director of Community and social Services, as to whether the utilization of a Collections Agency is feasible in the collection of Child Care Fee Subsidy Arrears.
15. Overpayments and collection will be reported monthly through the Department of Finance and Special Services monthly report.

**PROCEDURE:**

**Current Fee Subsidy Clients**

1. If it is determined that an overpayment has occurred on a file, a letter must be sent by the Child Care Fieldworker immediately to inform the client of the circumstances, reason, amount, relevant legislation, payment options and their right to an internal review. The letter shall also advise the client, that the issue of the overpayment has been referred to the Eligibility Review Department and a contact name and number will be provided in the letter for the client to follow up and set up a repayment schedule.

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2. The Child Care Fieldworker will immediately complete a referral (Attachment B) to the Eligibility Review Department with respect to the overpayment. All documentation with respect to the overpayment, in addition to the Responsibility Statement will be copied and forwarded to the Eligibility Review Department.
3. All case narrative notes that are completed by the Eligibility Review Officers on current fee subsidy clients, must be copied to the Child Care Fieldworker.
4. All repayment options shall ensure that the full amount is paid back within a six (6) month period. Extensions may only be approved by the Manager Finance and Special Services or in consultation with the Manager of Children's Services / Child Care Fieldworker.
5. It will be the responsibility of the Eligibility Review Officers to negotiate a repayment schedule, in keeping with this policy, with current Fee Subsidy clients.
6. After a repayment schedule has been negotiated, an Eligibility Review Officer will document the repayment schedule in the form of a memorandum(Attachment A) that the client will sign and date, in addition to the Eligibility Review Officer. A copy of the completed "Agreement to Repay" (Attachment "A") must be copied to the Child Care Fieldworker.
7. The "Agreement to Repay"(Attachment A) must include the schedule of repayment as well as the consequence of non-payment.
8. In the event that the client fails to meet the conditions of the "Agreement to Repay", a letter will be sent to advise that contact must be made within 30 days to negotiate a resolution, otherwise Child Care Fee Subsidy will be discontinued.
9. Failure of the client to respond within the 30 day period from the date of the letter (plus an allowance of five (5) extra days for mailing time) will result in a second letter being sent to the client. This letter will advise the client the specific date that child care fee subsidy will cease. This date shall be established as 30 days from the date of the second letter being sent.
10. The Eligibility Review Officer must notify the Child Care Fieldworker immediately if the situation progresses to possible discontinuation of fee subsidy.

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11. The Child Care Fieldworker must send a letter at this time to inform the day care provider that the client's eligibility for day care fee subsidy will cease as of the specified date. This letter is to be copied to the Eligibility Review Officer.
12. In the event that the client makes contact to resolve the situation within the second 30 day time period, a new agreement to re-pay will be negotiated with an Eligibility Review Officer.
13. In the event that the situation is resolved prior to cancellation of fee subsidy, it is incumbent upon the Child Care Fieldworker to ensure that the day care provider is notified immediately. This letter is to be copied to the Eligibility Review Officer.
14. In the event that the client makes contact to resolve the situation after the fee subsidy has ceased, the policy with respect to "Former Fee Subsidy Clients" will apply.

**Example:** *Current fee subsidy client is required to pay \$50 towards their outstanding overpayment on the 1<sup>st</sup> of each month. Client fails to make their payment on March 1. A letter is prepared and sent to client on March 3. In the initial letter, the client is asked to make their payment by April 7 (30 days +5 days mail time). Client does not respond by April 7. Second letter is prepared and sent to client on April 8 to advise that fee subsidy will cease as of May 8 (30 days from date of letter). In addition a letter is sent April 8, to advise the day care provider that fee subsidy is expected to cease for the given client on May 8. Any overpayment that is additionally incurred during this period would be added to the total amount of the overpayment*

**Former Fee Subsidy Clients**

1. All letters to advise of an overpayment, or follow-up from a previous, must be sent to the last known address of the client.
2. Failure of the client to respond will result in the following sequence of letters:
  - 1<sup>st</sup> letter to advise of overpayment, amount, reasons, repayment options, etc.
  - 2<sup>nd</sup> letter sent within 60 days of the initial letter to advise of the necessity to enter into a repayment schedule and consequences of non-payment including the inability to access fee subsidy in the future, as well as the matter being taken to "small claims court" or to a collections agency.

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3. If client has not responded within the 30 day time frame of the 2<sup>nd</sup> letter, the file shall be prepared to be sent to the Collection Agency if the amount owing is less than \$1000.00. If the amount owing exceeds \$1000.00 action shall be taken by the Eligibility Review Officers to prepare the file for Small Claims Court.
4. The ability of the Eligibility Review to take the file / overpayment to Small Claims court will be dependent upon having full knowledge of clients whereabouts and sources of income. If this information is not readily attainable, the file will be forwarded to Collections.
5. All court costs incurred by the Finance & Special Services Department to initiate and undertake Small Claims Court action, will be added the clients existing overpayment.
6. In the case that mail is returned, the file should be immediately prepared to be sent to a Collection Agency.
7. All efforts must be taken to enter into a repayment schedule where possible.
8. The repayment schedule should not extend beyond a six (6) month period unless there are extenuating circumstances and approval is given by the Manager of Finance and Special Services or in consultation with the Manager of Children's Services.
9. If the client re-applies for fee subsidy, 50% of the existing overpayment must be paid prior to approval of an application for fee subsidy and the remaining 50% to be paid through a negotiated repayment schedule within a six (6) month period. Failure to adhere to the repayment schedule may result in the possible termination of fee subsidy.  
(See "Process for Current Fee Subsidy Clients")

**FOLLOW-UP ACTION REQUIRED:**

1. Standard form letters that are presently used must be amended and prepared in advance of the implementation of this policy to ensure consistency and standardization in the process. This task will be the responsibility of the respective staff in the Department of Children Services and Department of Finance and Special Services.

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2. Policy must be reviewed with the Child Care Field Worker, Program Support of the Children's Services Department and Eligibility Review Officers of the Finance and Special Services Department to ensure understanding and adherence to the procedures as outlined.
3. "Responsibility Statement" shall be amended by the Children's Services Department to reflect the Overpayment Policy and consequences of non-payment towards overpayments incurred in the child care fee subsidy program.
4. The Department of Finance and Special Services will be responsible to research and explore options as it relates to the utilization of a collection agency. It will be necessary for the Department of Finance and Special Services to develop guidelines with respect to utilizing the services of a collection agency. These guidelines must also consider the guidelines as laid out by the Ministry of Community, Family and Children's Services.

**Reviewed and Approved By:**

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**Deborah Gill, Manager**  
**Program Review/Quality Assurance**

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**Date**

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**Dorothy Theobald**  
**Director of Community & Social Services**

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**Date**

**May 22, 2003**



**UNITED COUNTIES OF LEEDS AND GRENVILLE**  
**COMMUNITY AND SOCIAL SERVICES**  
Finance & Special Services Department  
458 Laurier Boulevard  
Brockville, Ontario K6V 7K5

1-800-267-8146  
(613) 345-4101  
Fax: (613) 342-8908

## Agreement to Repay

**Date:** \_\_\_\_\_

I \_\_\_\_\_, hereby undertake to repay the United  
(Name of Fee Subsidy Client)

Counties of Leeds and Grenville, Children's Services Department subsidy repayment in the  
amount of \$ \_\_\_\_\_.  
(Total Amount to be Repaid)

A repayment Schedule has been agreed to as follows:

\$ \_\_\_\_\_ will be paid on the first day of each month for a period of \_\_\_\_\_  
(Amount Monthly) (# of months)

beginning \_\_\_\_\_.  
(Date)

I have been advised and fully understand that failure to meet the conditions of this "Agreement to Repay" will result in the cancellation of current Child Care Fee Subsidy and possibly small claims court action or collection agency referral.

\_\_\_\_\_  
Signature of Client

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Eligibility Review Officer

\_\_\_\_\_  
Date

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Date

