



Office of Children and Family Services

Kathy Hochul
Governor

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Commissioner

Administrative Directive

Transmittal:	24-OCFS-ADM-12
To:	Local Departments of Social Services Commissioners
Issuing Division/Office:	Division of Child Care Services
Date:	July 10, 2024
Subject:	Child Care Assistance Direct Deposit for Child Care Providers
Suggested Distribution:	Social Services Directors Services Directors Child Care Supervisors Child Care Assistance Staff Fiscal Supervisors Fiscal Administrators
Contact Person(s):	Merideth Infantino, OCFS Director of Child Care Assistance, 518-402-3001 Merideth.Infantino@ocfs.ny.gov Ocfs.sm.ccapdirectdeposit@ocfs.ny.gov
Attachments:	Attachment A, <i>Child Care Assistance Direct Deposit Phases</i>

Filing References

Previous ADMs/INFs	Releases Cancelled	NYS Regs.	Soc. Serv. Law & Other Legal Ref.	Manual Ref.	Misc. Ref.
22-OCFS-INF-06 24-OCFS-INF-04		18 NYCRR Part 415	SSL §390-c(4)		

I. Purpose

The purpose of this Administrative Directive (ADM) is to inform local social services districts (districts) of the implementation of direct deposit payments of child care assistance to child care providers, pursuant to New York Social Services Law (SSL) § 390-c(4). This ADM also informs districts of actions they are required to take to comply with direct deposit for child care providers.

II. Background

On December 1, 2021, Governor Kathy Hochul signed chapter 650 of the Laws of 2021 into law, which amended SSL §390-c to require the New York State Office of Children and Family Services (OCFS) to promulgate regulations by December 1, 2022, that require districts to offer a direct deposit payment option for child care providers to receive child care assistance payments directly deposited into their bank accounts. Districts were advised of the intended regulatory changes in 22-OCFS-INF-06, *Direct Deposit for Child Care Providers Receiving Payment for Child Care Assistance*. OCFS filed a Notice of

Proposed Rulemaking to amend 18 NYCRR section 415.5(a), which was published in the *New York State Register* on August 17, 2022. The amended regulations were subsequently adopted and became effective on November 30, 2022. The amended regulations require, upon implementation of a statewide process, that districts offer eligible providers, including enrolled legally exempt providers, the option to receive payment for child care services by direct deposit into the bank account of the child care provider. Districts were later updated on the implementation plan in 24-OCFS-INF-04, *Direct Deposit for Child Care Providers Receiving Payment for Child Care Assistance*.

III. Program Implications

OCFS has developed a statewide child care assistance direct deposit process to enable districts to offer direct deposit payments to eligible child care providers receiving payments for child care assistance. Licensed, registered, and enrolled legally exempt child care providers providing care in the state of New York will be given the option to participate in direct deposit. This ADM and process does not include payments to child care providers funded by foster care funding streams.

Districts with an existing direct deposit process in place may continue to use that process or opt into the OCFS statewide process. The systems process will be rolled out to the districts without an existing direct deposit process in three phases with an anticipated start of July 2024. The districts in each of the three phases are listed in Attachment A. All districts are anticipated to be live with child care direct deposit by the end of 2024.

Eligible child care providers will be given the opportunity to specify their payment preference, for child care payments through the Facility Application and Management System (FAMS). To utilize direct deposit, a provider must have a NY.gov ID and access to FAMS and NYePay. When child care providers choose to opt in to receiving payments through direct deposit, only a regular checking or traditional savings account can be used. Investment or retirement accounts including, but not limited to, a 401K, educational savings account, Individual Retirement Account, or Certificate of Deposit, may not be used for child care direct deposit. OCFS will provide further information on how to enroll and set up these accounts directly to providers via Dear Provider Letter.

IV. Required Action

Districts participating in the Child Care direct deposit process must make direct deposit available in accordance with the OCFS phased implementation plan, Attachment A.

Each district must open a bank account with JP Morgan Chase, separate from any other account that funds other direct deposit programs within the district, as of the date their roll out phase begins. In order to ensure compliance with this requirement, districts must act promptly to open the new account when JP Morgan Chase contacts them, as outlined in 24-OCFS-INF-04. After districts create the new bank account, this account must only be used for child care direct deposit. Districts must continuously ensure that there are enough funds in the account for the payments issued. Districts will have the option of printing and mailing out remittance statements to providers. Districts must continue to promptly process payment per 18 NYCRR 415.4(c)(9)(i).

Eligible child care providers will be able to select the direct deposit payment option through FAMS in the Child Care Facility System (CCFS). As instructed previously in 24-OCFS-INF-04, districts are required to have staff with access to CCFS for the purpose of direct deposit to view the opt-in pages of eligible providers. Districts have previously been advised which staff have the necessary permissions in CCFS to have access to the FAMS pages. Districts may contact ccapdirectdeposit@ocfs.ny.gov to request access for additional staff as needed.

V. Systems Implications

Child care direct deposit involves several existing New York State IT systems, including BICS, CCFS/FAMS, and NYePay. Background, specific instructions, and changes that have been made to facilitate child care direct deposit for each system is described below. Districts may have their own local payment systems and processes but must follow all regulatory requirements for CCAP, including offering providers the option of being paid by direct deposit. Districts that will not utilize the New York State systems processes for direct deposit must notify OCFS of any existing direct deposit systems and processes. Districts that do not have an existing direct deposit process but wish to create their own must utilize the OCFS system processes until their process is fully implemented and operational.

BICS (Benefit Issuance Control System)

Only providers for which an associated CCFS ID has been entered in BICS will be prompted through FAMS about the option to opt into direct deposit. OCFS has preloaded CCFS IDs established during the BICS vendor cleanup process. Districts must confirm whether all providers eligible to participate in child care direct deposit have an associated CCFS ID in BICS. The district will have to enter a CCFS ID on the new CCFS ID screen for all providers receiving payments that do not have a CCFS ID in BICS. Once a CCFS ID has been entered and accepted, that CCFS ID will display on BICS Vendor Inquiry, Selection 09 from the BICS Menu, for that Vendor ID. This will allow all providers eligible to participate to receive a system-generated opt-in email from FAMS.

BICS will receive a nightly interface file from CCFS/FAMS indicating providers' chosen payment method. When a provider has opted into direct deposit, BICS will receive a value of 'D' (Direct Deposit) from this interface file. When a provider has indicated that they are not opting in for Direct Deposit, BICS will receive a value of 'P' (Paper Check) from this interface file. Value 'P' or 'D' will appear in a new CCDD-IND (Child Care Direct Deposit Indicator) field in BICS Vendor File inquiry. Vendors who do not specify a payment process will continue to receive paper checks.

BICS Vendor Operations will be changed to prevent the entry of a Vendor Type (Commodity Code) of 01-Day Care when other non-Day Care Commodity Codes are present in BICS Vendor Operations for the specific vendor ID. Vendor Operations will be changed to not allow additional Commodity Codes when the vendor already has a Commodity Code of 01.

BICS Production Request (BPR) 26-Pay Selected Vouchers, has been updated to allow separate check production runs for Services Child Care paper check production, Services Child Care Direct Deposit production, Non-Services Child Care paper check production, and Non-Services Child Care Direct Deposit production.

Multiple BICS reports have been changed to reflect the above changes. Webex training sessions to review all BICS changes (including reports) have been provided to Phase 1 districts. Additional training will be offered to non-phase 1 districts prior to implementation of CCDD in those districts. A Statewide Services Payment System (SSPS) liaisons letter and updates to the BICS Services Payment Processing (BSPP) manual will detail BICS changes.

Facility and Application Management System (FAMS)

The Facility and Application Management System (FAMS) will be the system through which providers receiving child care assistance payments will designate whether they would like to continue receiving payments through paper checks or opt to receive payments through child care direct deposit. The provider will be sent a system-generated email by FAMS to begin the process of designating their desired payment method. This email will prompt the main CCFS contact for that provider to sign into

FAMS and designate someone within their organization who will sign into NYePay and enter bank account information on behalf of their program. This authorized user will then have to fill out a short survey on the provider FAMS opt-in page. If no action is taken by a provider in FAMS, that provider will continue to receive payments by paper checks issued by BICS. Whenever a payment method is changed in FAMS, it will take two or three payment cycles for that payment method to take effect for the provider. In the meantime, the provider will continue to receive payment by the previously selected method.

NYePay

NYePay is a web-based application maintained by the Bureau of Financial Operations (BFO) that was originally developed for the purpose of delivering county-issued adoption subsidy payments electronically. NYePay has been updated to include child care direct deposits. Once invited, by opting in through FAMS, providers can access the public version on NYePay through my.ny.gov, where they can enter and update banking information and track their payment. Providers can opt out or change their authorized NYePay users through FAMS, but there will be no paper processes related to direct deposit.

VI. Contacts

Information will be available for providers and districts at <https://ocfs.ny.gov/CCAP-Direct-Deposit>.

Questions about direct deposit for child care providers should be directed to:

The Human Services Call Center (HSCC)

- Telephone Number: (518) 474-9454

Questions about accessing a NY.gov account should be directed to:

The New York State Office of Information Technology Services Desk Support

- Telephone number: (844) 891-1786
- Website: <https://its.ny.gov/get-help>
- Email: fixit@its.ny.gov

VII. Effective Date

This ADM is effective upon issuance.

/s/ Nora K. Yates

Issued by:

Name: Nora K. Yates

Title: Deputy Commissioner

Division/Office: Division of Child Care Services