



Office of Children and Family Services

Kathy Hochul
Governor

52 WASHINGTON STREET
RENSELAER, NY 12144

DaMia Harris-Madden, Ed.D., MBA, M.S.
Acting Commissioner

Informational Letter

Transmittal:	24-OCFS-INF-04
To:	Local Departments of Social Services Commissioners
Issuing Division/Office:	Division of Child Care Services
Date:	May 13, 2024
Subject:	Direct Deposit for Child Care Providers Receiving Payment for Child Care Assistance
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.districtsupport.subsidy@ocfs.ny.gov
Attachments:	None

Filing References

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

I. Purpose

The purpose of this Informational Letter (INF) is to update local departments of social services (districts) on the implementation of direct deposit payments to child care providers receiving payments for the Child Care Assistance Program (CCAP), pursuant to New York State Social Services Law (SSL) §390-c and provide information about what steps districts will need to take in order to utilize the direct deposit payment system.

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 to a child day care provider so that they can 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 November 30, 2022. The amended regulations require, upon implementation of a statewide system, that districts offer eligible providers, including legally exempt providers, the option to receive payment for child care services by direct deposit into the bank account of the child care provider.

III. Program Implications

OCFS has been working to develop a statewide direct deposit system, for districts to pay licensed, registered, and enrolled legally exempt child care providers who provide care in the State of New York. Providers will be able to select the direct deposit payment option through the Facility Application and Management System (FAMS) in the Child Care Facility System (CCFS). District staff will be required to access CCFS for the purposes of direct deposit. District staff who need access to CCFS for this purpose can contact ocfs.sm.CCAPDirectDeposit@ocfs.ny.gov to request access.

To make direct deposit payments, districts will be required to open a new bank account with JP Morgan Chase. This account must be separate from any other account that funds other direct deposit programs within the district, including, but not limited to, adoption subsidy. JP Morgan Chase will contact each district directly to set up these accounts. To avoid delay in implementation, districts are encouraged to set up these accounts when contacted. Any questions or concerns about this process can be directed to the Division of Child Care Services email address: ocfs.sm.districtsupport.subsidy@ocfs.ny.gov

Direct deposit will be deployed to the districts in three phases. Information regarding the timeline and phases assignment will be provided soon; however, the timeline is contingent on districts setting up the JP Morgan Chase account for direct deposit.

Following the creation of the statewide system, an Administrative Directive will be issued to expand on program implications, required actions, deadlines, and implementation. No additional changes to other forms of payment processing are expected at this time.

/s/ Nora K. Yates

Issued by:

Name: Nora K. Yates

Title: Deputy Commissioner

Division/Office: Division of Child Care Services