

2025-26 Keystone STARS Continuous Quality Improvement Awards FAQ & Additional Information

1.0 PROVIDER ELIGIBILITY

1.1 Who is eligible for the 2025-26 Keystone STARS Continuous Quality Improvement (CQI) Award?

To be eligible for a 2025-26 Keystone STARS CQI Award, a provider must meet all the following requirements, both as of August 1, 2025, and at the time the Award payment is issued by the Early Learning Resource Center (ELRC):

- 1) The provider must possess a current, regular Pennsylvania Department of Human Services (DHS) Certificate of Compliance. Providers with provisional certificates, those in a "refuse to renew" status, or those whose certificates have been revoked are **ineligible**.
- 2) The provider is designated as a Keystone STAR 2, 3, or 4 program and is not in a Keystone STARS Suspension status.
- 3) If applicable, the provider must:
 - A) Have completed the reporting requirements for the 2024-25 CQI Awards; and/or
 - B) Not have an open referral to the Office of Attorney General (OAG) or an ongoing repayment plan with an ELRC for fund recoupment.
- 4) The provider does not owe liens/liabilities to the Pennsylvania Department of Revenue.

Providers who meet the above eligibility criteria as of August 1, 2025, but fail to meet the criteria at time of payment by the ELRC will be considered ineligible and will not receive a CQI Award.

1.2 Are relative Child Care Works (CCW) providers able to receive a 2025-26 Keystone STARS CQI Award?

No. Only certified Child Care Centers, Group Child Care Homes, and Family Child Care Homes are eligible for an Award.

1.3 What if my program is temporarily closed due to, for example, a renovation or waterline repair? Is my program still eligible?

If the program is designated as 'open' by OCDEL-Certification on August 1, 2025, and the day the ELRC issues payment, they are eligible.

1.4 If I have not yet completed my reporting requirements for the 2024-25 CQI Award and want to do so now, what should I do?

Providers should reach out to their ELRC as soon as possible to discuss options prior to December 1, 2025.

1.5 How can I demonstrate that I have fulfilled any state tax liens/liabilities that I previously owed and may now meet the eligibility requirements for a 2025-26 CQI Award?

Tax Clearance Certificates are available through the Pennsylvania Department of Revenue or at the provider's local prothonotary office. A provider should deliver the Tax Clearance Certificate(s) to the ELRC on or before December 1, 2025.

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1.6 My program has been issued a provisional Certificate of Compliance, but I am appealing the decision and am currently in an appeal process. Is my program eligible for this Award?

No, your program is not eligible as you currently do not hold a regular Certificate of Compliance from OCDEL-Certification as of August 1, 2025.

1.7 What if I am a STAR 1 provider on August 1, 2025, but I am working to move up to a higher STAR designation. Would I then be eligible for a CQI Award?

OCDEL is providing a policy exception for STAR 1 programs who successfully move up to a STAR 2, 3, or 4. To be eligible for this policy exception, a STAR 1 program must:

- Have an open move up designation case in the PD Registry Designation System as of August 1, 2025, **and**
- Be successful in moving up to a STAR 2, 3, or 4 as evidenced by a completed designation case in the PD Registry System and a confirmed designation in PELICAN Keys to Quality on or before October 31, 2025, **and**
- Meet all other eligibility criteria at time of payment by the ELRC.

1.8 What if I am a STAR 2 or 3 provider and meet eligibility requirements on August 1, 2025, but am working to move to a higher STAR designation. Would I then be eligible to receive a higher CQI Award amount?

To receive a higher CQI Award amount, a STAR 2 and 3 program must:

- Have an open move up designation case in the PD Registry Designation System as of August 1, 2025, **and**
- Be successful in moving up to a higher STAR designation as evidenced by a completed designation case in the PD Registry System and a confirmed designation in PELICAN Keys to Quality on or before October 31, 2025, **and**
- Meet all other eligibility criteria at time of payment by the ELRC.

STAR 2 and STAR 3 programs who have an open move up designation case in the PD Registry system as of August 1, 2025, and intend to complete their move up designation on or before October 31, 2025, should contact their Quality Coach as soon as possible. The ELRC can delay sending their Eligibility & Acceptance Letter until their move up is completed.

1.9 What if my program is attempting to move to a STAR 3 or 4 and there is a delay in scheduling our work with a Program Quality Assessor for the Internal Assessment Process (IAP) consultation meeting, a requirement at EC 3.4.5 for all STAR 3 and 4 programs?

Providers that have completed all other requirements to move up to a STAR 3 or 4 and are awaiting an IAP consultation meeting to complete EC 3.4.5 will be considered on a case-by-case basis by OCDEL to determine eligibility. Providers that are actively engaged in the IAP, awaiting an IAP consultation meeting and have concerns about completing their work by October 31, 2025, should notify their ELRC accordingly.

1.10 If my program is only open during the summer, are we still eligible to receive a 2025-26 CQI Award? We will not be serving children at the time we would receive the CQI Award payment.

Yes. Provided your program meets all other eligibility criteria at time of acceptance and time of payout of the Award by the ELRC, you are eligible to receive a CQI Award.

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1.11 Are programs that are certified child care providers, meet all eligibility criteria but only serve PA Pre-K Counts (PKC), Head Start State Supplemental Program (HSSAP), and Infant-Toddler Contracted Slots Program (ITCS) children eligible to receive a CQI Award?

Yes, these programs are eligible to receive a CQI Award. However, staff who work solely in other programs such as PKC, HSSAP, and ITCS may not receive salary and/or bonuses from CQI Award funds. In these cases, CQI Award funds should be used for the betterment of the program. Examples of expenses that these programs could use with the CQI Award funds include but are not limited to the following:

- Rent/Mortgage
- Utilities
- Minor renovations
- Replace old or broken appliances

2.0 ELIGIBILITY AND ACCEPTANCE LETTER

2.1 When is the **Keystone STARS CQI Award Eligibility and Acceptance Letter** due from eligible providers to the ELRC?

Eligible providers must submit a signed **Keystone STARS CQI Award Eligibility and Acceptance Letters** to their ELRC between September 2, 2025, and December 1, 2025. **Keystone STARS CQI Award Eligibility and Acceptance Letters** received electronically or postmarked after December 1, 2025, will not be accepted and the program will not be eligible for an Award.

2.2 Where can providers find a copy of the **Keystone STARS CQI Award Eligibility and Acceptance Letter**?

Eligible providers will receive a **Keystone STARS CQI Award Eligibility and Acceptance Letter** specific to their program from their ELRC. Only the site-specific **Keystone STARS CQI Award Eligibility and Acceptance Letter** should be read, signed, and returned by programs to their ELRC. For reference, a copy of the **Keystone STARS CQI Award Eligibility and Acceptance Letter** is available on the [Pennsylvania Key website](#).

2.3 Are electronic signatures on the **Keystone STARS CQI Award Eligibility and Acceptance Letter** permitted?

Yes. Electronic signatures are acceptable when completing and signing the **Keystone STARS CQI Award Eligibility and Acceptance Letter**.

2.4 What if I think my program is eligible for a STARS CQI Award but I have not received my **Keystone STARS CQI Award Eligibility and Acceptance Letter**?

Providers who think they meet the eligibility criteria for the STARS CQI should receive a **Keystone STARS CQI Award Eligibility and Acceptance Letter** from their ELRC beginning September 2, 2025. Providers who think they are eligible for an Award but have not received a letter by November 28, 2025, should contact their ELRC immediately. ELRC contact information can be found on the [Pennsylvania Key website](#).

2.5 Are any of the **Keystone STARS CQI Award** documents available in Spanish?

Yes, the following documents will be available in Spanish:

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- Keystone STARS CQI Award Eligibility and Acceptance Letter
- Keystone STARS CQI Award Final Expense Report (FER)

2.6 Will there be a form for child care providers to complete if they do not want to accept a STARS CQI Award even if they are eligible?

Yes. The **Keystone STARS CQI Award Eligibility and Acceptance Letter**, sent from ELRCs to eligible providers, will include an area in which providers can indicate their declination of the Award. Providers who are choosing to decline the CQI Award must sign and return the letter to their ELRC by December 1, 2025.

2.7 Can eligible providers later rescind their declination of a STARS CQI Award?

Yes. Providers may rescind a signed declination if they do so within the application period of September 2, 2025, through December 1, 2025. Providers who choose to rescind their declination should reach out to their ELRC as soon as possible upon making their decision.

2.8 Do eligible providers need to indicate why they are choosing to decline CQI awards?

No. Eligible providers do not need to specify why they are declining Award funds.

2.9 I misplaced my **Keystone STARS CQI Award Eligibility and Acceptance Letter**. Who should I contact?

Eligible providers who misplace their CQI Award Eligibility and Acceptance Letter should reach out to their ELRC for a replacement letter. ELRC contact information can be found on the [Pennsylvania Key website](#).

2.10 If a provider's Certificate of Compliance is in a 'revocation or refuse to renew' status by OCDEL Certification AFTER a **Keystone STARS CQI Award Eligibility and Acceptance Letter** has been submitted, will they still be eligible?

If the ELRC has not yet made payment when the 'revocation or refuse to renew' status has been declared by OCDEL-Certification, the provider will be found ineligible and will not receive CQI Award funds.

2.11 Can a provider submit a change to the amount of the CQI Award they are receiving after they submit their **Keystone STARS CQI Award Eligibility and Acceptance Letter** to the ELRC?

Providers who wish to make a change to the amount of the CQI Award they want to accept after they submit their signed letter to the ELRC should contact their ELRC as soon as possible, but no later than December 26, 2025. If the ELRC has not yet made payment, the ELRC can send the program a new Eligibility and Acceptance Letter which the program can complete and return. If the ELRC has already made payment to the program, the program can return grant funds to the ELRC if they decide to accept a smaller amount or decline the award in full.

2.12 Can the term submission date be clarified? For example, is it the email received date, the postmark on a letter delivered by USPS, or the signature date?

The term 'submission date' is the date the ELRC receives the **Keystone STARS CQI Award Eligibility and Acceptance Letter** via email, fax, or via USPS as validated with a postmark. It is NOT the date that a provider signs the Eligibility and Acceptance Letter.

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Example: ABC Child Care signs and dates their **CQI Award Eligibility and Acceptance Letter** on October 10, 2025. They email the Letter to the ELRC on October 15, 2025. The submission date for ABC Child Care will be considered October 15, 2025.

Example: 123 Child Care signs and dates their **CQI Award Eligibility and Acceptance Letter** on November 27, 2025. They place their Letter in the mail (USPS) on December 1, 2025. The letter is postmarked December 1, 2025, by the USPS. The Letter is received by the ELRC on December 4, 2025. The submission date for 123 Child Care will be considered as December 1, 2025.

3.0 ELIGIBLE EXPENSES

3.1 What are examples of eligible “program ongoing operating expenses”?

This can include, but is not limited to:

- Building expenses such as leases, utilities, maintenance, pest control, trash pickup.
- Office supplies or contracted services.
- Rent and mortgage payments for the program location.

3.2 How can I easily determine if a professional development opportunity is available through some other resource such as the PDOs, Rising STARS Tuition Assistance, or T.E.A.C.H?

For information on PDOs, click [here](#).

For information on Rising STARS Tuition Assistance, click [here](#).

For information on T.E.A.C.H, click [here](#).

3.3 Other than substitute teacher pools, what are some other shared services that providers could access with CQI Award funds?

Programs might consider pooling resources and collaborating to accomplish objectives difficult for smaller programs to fund individually. Examples include, but are not limited to:

- Starting a substitute teacher pool.
- Bidding and sharing custodial/lawn/maintenance services.
- Bulk purchasing together to obtain better pricing and negotiating power.
- Sharing professional development events and expenses (less travel and enough participation to afford high quality experts).
- Purchase expensive items that can be shared between centers such as an LCD projector or video camera, and.
- Rent event facilities together for special events (e.g. Strengthening Families opportunities including family educational activities, professional development events, share a bus rental etc.).

3.4 Are 1099 payments to program employees permitted?

No. Any one-time payments or bonuses paid to hourly or salaried staff must be processed through regular payroll operations.

3.5 What types of program staff are not eligible to receive a bonus, wage increase, etc.?

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- Volunteers and contracted service staff providing cleaning, meal, or transportation services, etc. who receive an Internal Revenue Services (IRS) 1099 form, are not eligible to receive a bonus or wage increase using CQI Award funds.
- As stated in question [1.11](#), program staff who work solely in PKC, HSSAP, and ITCS classrooms are not eligible to receive a bonus or wage increase.

3.6 Can funds be used for food for staff meetings, trainings, and workshops for families?

Yes, providing for the cost of food associated with the training event being attended by the program staff or parents is an eligible expense.

3.7 Are indirect costs allowable with this grant?

Federally approved and/or corporate indirect cost rates assessed to affiliated programs are not permissible for the Award.

3.8 Can I apply the 2025-26 CQI Award for eligible expenses I already incurred in April 2025?

No. CQI Award funds can only be used for eligible expenses incurred between July 1, 2025, and March 13, 2026.

3.9 Can I wait to spend my CQI Award funds in January 2026 to give my staff a bonus during a new federal tax year?

Yes, eligible providers have the discretion to spend funds within the specified timeframe, but no later than March 13, 2026.

3.10 I am a Family Child Care Owner; I do not pay myself through payroll and thus do not have payroll taxes deducted. Can I use the CQI Award funds for a payroll bonus?

Yes, Family Child Care Homes that file taxes with a Schedule C must also submit a 1040 Form to document the appropriate taxes are being paid. Family Child Care owner/operators are encouraged to consult with their tax professional for additional guidance.

3.11 I am a Family Child Care Owner. Can I use the 2025-26 CQI Award funds to pay my Quarterly taxes (Federal, State, Keystone Collections)?

Yes, quarterly taxes are an eligible expense under ongoing operating expenses category.

3.12 Are executives, regional managers, administrative support professionals or other staff who do not work at a program on a day-to-day basis eligible to receive funds from the CQI Award?

No, only staff who work directly in the program on a regular, day-to-day basis are eligible to receive funds from the CQI Award.

ADDITIONAL KEYSTONE STARS CQI AWARD POLICY INFORMATION

The following are resource documents providers may find helpful:

- [2023 Keystone STARS Performance Standards](#)
- [2023 Keystone STARS Program Manual](#)

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Changes occurring between August 1, 2025, and time of payment by ELRC.

- **Changes to an eligible program's provider type or DHS licensed capacity:** Changes to a program's provider type and/or licensed capacity will not affect the CQI Award amount issued by the ELRC. The CQI Award amount will be based on an eligible program's provider type and DHS licensed capacity as of August 1, 2025.
- **Changes to an eligible program's Keystone STAR designation:**
 - STAR 1 programs that have an open move up designation case in the PD Registry on August 1, 2025, and successfully move up to a STAR 2, 3, or 4 on or before October 31, 2025, will be eligible for a CQI Award providing they meet all other eligibility criteria.
 - STAR 2 and 3 programs determined eligible on August 1, 2025, that have an open move up designation case in the PD Registry on August 1, 2025, and successfully move up to a STAR 3 or 4 designation on or before October 31, 2025, will be eligible for a higher CQI Award amount providing they meet all other eligibility criteria at time of payment by the ELRC.
 - Programs determined eligible on August 1, 2025, that are moved down to a STAR 2 or 3 designation by the time of payment by the ELRC will receive the higher CQI Award amount based on the STAR level at which they were designated as of August 1, 2025.
 - Programs determined eligible on August 1, 2025, that are moved down to a STAR 1 by the time of payment by the ELRC no longer meet the eligibility requirements and will **not** receive a CQI Award.

Examples of changes to STAR designations for eligible programs:

- Apple Child Care Center was identified as an eligible program with a licensed capacity of 58 and designated as a STAR 2 on August 1, 2025. The program began working to move up in Keystone STARS and opened a move up designation case in the PD Registry on September 23, 2025. They completed their move up designation to a STAR 3 on October 24, 2025. On November 26, 2025, the ELRC is preparing to issue payment and confirms Apple Child Care Center's eligibility to receive a CQI Award. **The CQI Award payment issued to Apple Child Care will be based on their provider type, DHS licensed capacity of 58, and their STAR 2 designation as of October 31, 2025. They are not eligible for a STAR 3 CQI award as they did not have an open designation case in the Registry Designation System on or before August 1, 2025, although they did successfully move up to STAR 3 by October 31, 2025.**
- Apple Child Care Center was identified as an eligible program with a licensed capacity of 58 and designated as a STAR 2 on August 1, 2025. The program began working to move up in Keystone STARS and opened a move up designation case in the PD Registry on July 5, 2025. They completed their move up designation to a STAR 3 on November 7, 2025. On November 9, 2025, the ELRC is preparing to issue payment and confirms Apple Child Care Center's eligibility to receive a CQI Award. **The CQI Award payment issued to Apple Child Care will be based on their provider type, DHS licensed capacity of 58, and their STAR 2 designation. The program is not eligible for a higher CQI award as they did not successfully complete their move up designation case in the Registry System on or before**

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October 31, 2025, although they did have an open designation case in the Registry Designation System on August 1, 2025.

- On August 1, 2025, XYZ Family Child Care Center is identified as an eligible program with a licensed capacity of 100 and designated as a STAR 4. On December 10, 2025, the program is moved down to a STAR 2. On December 12, 2025, the ELRC is preparing to issue payment and confirms XYZ Family Child Care Center's eligibility to receive a CQI Award. **The CQI Award payment issued to XYZ Family Child Care will be based on their provider type, DHS licensed capacity of 100, and their STAR 4 designation as of August 1, 2025.**
- On August 1, 2025, 123 Child Care Center is identified as an eligible DHS licensed program with a licensed capacity of 100 and designated as a STAR 4. On November 11, 2025, the program is moved down to a STAR 1. On November 14, 2025, the ELRC is preparing to issue payment and works to confirm 123 Child Care Center's eligibility to receive a CQI Award. **The ELRC does not issue payment to 123 Child Care as the program no longer meets the eligibility criteria at time of payment.**

Allowable Expense Categories

Eligible programs can use the Keystone STARS CQI Award funds for eligible expenses in the following categories:

- Staff Qualifications and Professional Development
- Early Childhood Education Program
- Partnerships with Families and Communities
- Leadership and Management
- Accreditation Costs (toward an OCDEL-approved Alternate Pathway)

These categories align with the Keystone STARS Performance Standards and represent the area's most closely associated with quality activity expenditures for ECE programs.

Award funds can be applied to eligible expenses incurred from July 1, 2025, to March 13, 2026.

Additional details on each category are provided below. Programs may wish to review their most recent CQI Plan and/or CQI Plan Annual Update to help identify areas in which the Award funding may best be used to reach their goals. Programs may contact their Keystone STARS Quality Coach for assistance in updating their current CQI Plan.

Staff Qualifications and Professional Development

This category includes the following eligible expenses:

- Early Childhood Professional Development including:
 - Coursework in ECE/Child Development Degree Program, Child Development Associate, School-age Child Care Credential, PA Director's Credential at a Regionally Accredited Institute of Higher Education
 - Pennsylvania Quality Assurance System (PQAS) Approved Courses
 - Conference Attendance
 - Other Associated Costs including Substitute Teacher Coverage

Early Learning coursework and/or professional development that is eligible for funding through the Professional Development Organizations (PDO), Rising STARS Tuition Assistance Award, T.E.A.C.H., and/or the CDA Voucher programs will not be an allowable expense for the CQI Award unless the program can show proof that these funding sources are unavailable.

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Early Childhood Education Program

This category includes the following eligible expenses:

- Curriculum, Developmental Assessment Tools, and/or Developmental Screening Tools*
- Program Materials, Supplies, and/or Equipment
- Ongoing Operating Expenses and/or Minor Renovations**
- Health and Safety Equipment and/or Materials
- Training & Supports for Child Suspension/ Expulsion Best Practices and Policies

* Programs are encouraged to purchase a curriculum and/or developmental assessment tool from the OCDEL approved listings in order to ensure the tools are aligned to Pennsylvania's Early Learning Standards. The current listings of OCDEL approved curricula and assessment tools can be found [here](#). Only OCDEL-approved curricula and developmental assessment tools can be used by programs to meet STARS quality indicators EC 3.4.1 and EC 3.4.2.

**Federal regulations prohibit the use of funds for "construction" or "major renovations," but will allow funds to be used for "minor remodeling". More information on minor renovations can be found in the [Best Practices in Keystone STARS Financial Award Spending](#) document.

Partnerships with Families and Communities

This category includes the following eligible expenses:

- Parent & Family Supports including Workshops, and Connections to Community Resources
- Family Engagement Training & Technical Assistance including [Strengthening Families Framework](#) Activities/Training or Similar Evidence-Based Tools
- Translation and Interpreter Services

Leadership and Management

This category includes the following eligible expenses:

- **Program Staff Compensation:**
This includes salary increases, retention bonuses, sign on bonuses, and associated employer payroll taxes. *, **
- **Health Care Services:**
Costs for services provided by licensed health care professionals or consultants.
- **Business Training & Technical Assistance:**
Includes training related to business practices, such as the Program Administration Scale (PAS) or Business Administration Scale (BAS).
- **Professional Memberships:**
Individual paid memberships for staff in recognized early learning professional organizations.
- **Child Care Shared Services:**
Participation in shared services models that support operational efficiency and quality improvement.

Important Compensation Guidelines

* When using award funds for additional staff pay (e.g., bonuses or wage increases):

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- These payments **must be included in overtime calculations** as required by the U.S. Department of Labor.
- Employees who are already on payroll (hourly or salaried) **cannot be receive CQI Award funds using a 1099 form.**
- All compensation must go through regular payroll processes and include appropriate **employer payroll taxes.**

**** Restrictions on Staff Eligibility:**

Staff who work **exclusively** in programs such as **PA PKC, HSSAP, and/or ITCS** are **not eligible** for salary increases or bonuses funded by CQI awards.

Accreditation Costs toward an OCDEL – Approved Alternate Pathway

This category includes the following eligible expenses:

- Costs toward obtaining or renewing accreditation with an OCDEL-approved Alternate Pathway agency. For a listing of current OCDEL-approved Alternate Pathway agencies, click [here](#).

Ineligible Expenses

The Keystone STARS CQI Award cannot be used for any of the following expenses. Although the list is not exhaustive, the following is provided for general guidance.

- Purchase of land, construction, and/or major renovations.
- Purchase of gift cards, money orders, gift certificates, travel checks, and/or any other comparable legal tender.
- Purchase of alcohol.
- Purchase of vehicles.
- Payment toward staff entertainment, including amusement, diversion, and/or social activities or any costs directly associated with such costs (such as tickets to shows or sports events, meals, lodging, rentals, transportation, and gratuities) that are not professional development related events.
- Costs of membership in civic, community and social organizations (Kiwanis, Lions Club, Rotary, etc.).
- Purchase of any second hand (used) items, including but not limited to those from individuals, yard sales and auctions.
- Coursework and/or professional development activities that can be funded through the Professional Development Organizations (PDO), Rising STARS Tuition Assistance Award, T.E.A.C.H, and/or the CDA Voucher programs.
- 1099 payments to salaried and/or wage employees of the program.
- Federally approved and/or corporate indirect cost rates assessed to affiliated programs.
- Salary increases and bonuses for staff who work solely in programs such as PKC, HSSAP, and ITCS.

Award Spending Requirements

Non-compliance with the requirements of the Keystone STARS CQI Award Eligibility and Acceptance Letter could result in the provider being required to return the CQI Award funds to the ELRC.

- All CQI Award funds must be expended by March 13, 2026.
- The CQI Award is site-specific. Award funds must be used for expenses incurred at the specific site.

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- All equipment/materials purchased through this Award will be used strictly for purposes related to the operation of the child care program. Equipment/materials purchased through this Award may not be used for personal use or resale.
- If a provider closes after purchasing equipment/materials with CQI Award funds, they must contact the ELRC prior to closing. The ELRC will work with the program to reallocate any equipment or materials that still have a useful life and were purchased with CQI Award funds to other providers.
- If DHS or authorized agent thereof discovers that any equipment or materials purchased - either wholly or partially--with Keystone STARS CQI Award funds have been used for illegal purposes, the Department reserves the right to recoup funds expended on those items.

Programs are prohibited from selling or donating items bought with CQI funds. OCDEL may recoup funds used to purchase items that are then sold or donated.

Award Process and Timeline

The following timeline reflects important dates for eligible programs to consider.

- Beginning on September 2, 2025, eligible providers will:
 1. Receive a **Keystone STARS CQI Award Eligibility and Acceptance Letter** from their ELRC electronically or through the United States Postal Service (USPS). **The Keystone STARS CQI Award Eligibility and Acceptance Letter** will include the following:
 - a. The maximum dollar amount of the CQI Award the provider is eligible to receive.
 - b. The eligible spending categories.
 - c. The legal requirement to use the funds and submit a final expense report.
 - d. General timeline requirements.
 - e. An attestation statement.
- Beginning on September 2, 2025, but no later than December 1, 2025, eligible providers must:
 1. Review the **Keystone STARS CQI Award Eligibility and Acceptance Letter** received from the ELRC.
 2. Indicate the dollar amount they wish to receive (up to the maximum award amount).
 3. Sign and date the **Keystone STARS CQI Award Eligibility and Acceptance Letter** acknowledging that they understand and agree to the attestation information.
 4. Return the **Keystone STARS CQI Award Eligibility and Acceptance Letter** to the ELRC electronically (through email or fax) or USPS on or before December 1, 2025.
- Beginning on September 2, 2025, and ending on December 1, 2025, the ELRC will:
 1. Receive completed **Keystone STARS CQI Award Eligibility and Acceptance Letters**.
 2. Confirm the provider meets the eligibility criteria as of the payment date.
 3. Approve the requested Award amount.
- Beginning on October 6, 2025, and ending on December 26, 2025, the ELRC will:
 1. Issue payment to the provider.
- Beginning on October 6, 2025, and ending March 13, 2026, eligible providers will:

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1. Expend all CQI Award funds or apply the award to previous allowable expenditures incurred on or after July 1, 2025, through March 13, 2026.
- No later than March 27, 2026, providers will:
 1. Submit a Keystone STARS CQI Award Final Expenditure Report (FER) to the ELRC electronically (through email, fax, or Provider Self Service (PSS)) or via USPS.
 2. If applicable, return any unspent Award funds to the ELRC.

Award Reporting and Monitoring Information

While providers are not required to submit receipts to the ELRC (unless requested), providers must keep original receipts for their records. These receipts may be reviewed by the ELRC, OCDEL Program Representatives, and/or state/federal agents for auditing/monitoring purposes. All Award-related documentation must be maintained for seven years.

- For monitoring purposes original receipts must have at a minimum:
 - A purchase date (from July 1, 2025, through March 13, 2026).
 - The name of the vendor or supplier.
 - Descriptions of purchased items.
 - Cost of each item and evidence of payment – the receipt must indicate balance due or, if paid, a balance due of \$-0-. If the receipt or invoice shows a balance due, proof of payment must be provided either by cancelled check or a document indicating balance due of \$-0-.
 - The sum of all receipts must equal or exceed the requested Keystone STARS CQI Award in the categories of Staff Qualifications and Professional Development, Early Childhood Education Program, Partnerships with Families and Communities, Leadership and Management, and Accreditation Costs toward an OCDEL-approved Alternate Pathway.
 - If applicable, payroll receipts/documentation must include the date of payment and details of the payment given to the staff.
 - Program Staff benefits, wage increases, and bonuses must be paid through payroll with appropriate payroll taxes (employee and employer) deducted*.
- Receipts may exceed the total amount of funds issued with the understanding that the provider is responsible to pay for balances out of the program's operating budget for amounts exceeding the Award request.

*Family Child Care Homes or other programs that do not have a payroll will want to contact their ELRC to discuss potential options.

Examples of Unallowable Receipt/Invoice Documentation

The following is a listing of documents that are unallowable as a receipt or invoice:

- Copies of general ledger posting records.
- Copies of check registers or listing of checks written by providers.
- Computer accounting record screenshots or other lists of data indicating payment.
- Documents that do not indicate Payee, date, amount paid, and description of items purchased or is not supported by a check or other form of payment.
- Receipts that appear to have been altered or changed in any way.
- Receipt documents that do not appear to be issued by a valid supplier or vendor.
- Purchase orders or vendor/supplier monthly statements reflecting purchases.

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- Program Staff benefits, wage increases, and bonuses paid outside of payroll with no appropriate payroll taxes deducted such as through business/personal check, Venmo, 1099 payments, and/or cash*.

* Family Child Care Homes or other programs that do not have a payroll will want to contact their ELRC to discuss options.

Failure to Submit a Final Expense Report (FER) or Return Unspent Award Funds

Providers issued an Award must submit a FER and return unspent Award funds to their ELRC by the deadline (March 27, 2026). Providers who fail to meet the requirements will be subject to the Dunning Cycle as detailed in [Commonwealth Management Directive 310.10](#). OCDEL's Dunning Cycle will consist of three letters informing providers of the spending and reporting requirements they agreed to in the Award Eligibility and Acceptance Letter. Failure to respond to the Dunning Cycle will result in an additional letter informing providers of referral to OAG and their Keystone STARS suspension. The OAG is statutorily authorized to collect delinquent debt for state agencies pursuant to 71 P.S. § 204(c).

Returning Funds - Repayment Plans

If a provider is required to return award funds, repayment plans may be available. To initiate this process, the provider must submit a written request to their ELRC. Once received, the ELRC will forward the request to the Office of the Attorney General (OAG), who will establish the terms of repayment and monitor compliance throughout the duration of the plan.