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 | INFORMATIONAL LETTER |
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TRANSMITTAL: 94 INF-29

TO: Commissioners of
 Social Services

DIVISION: Economic
 Security

DATE: June 22, 1994

SUBJECT: Food Stamps: Child and Adult Care Food Program
 Payments

SUGGESTED

DISTRIBUTION: FS Directors
 Income Maintenance Directors
 CAP Coordinators
 Staff Development Coordinators

CONTACT PERSON: Food Stamp Liaison 1-800-343-8859, extension 4-9225

ATTACHMENTS: None

FILING REFERENCES

Previous ADMs/INFs	Releases Cancelled	Dept. Regs.	Soc. Serv. Law & Other Legal Ref.	Manual Ref.	Misc. Ref.
				FSSB XII-H-1.2	94 GIS ES/DC018

This is to communicate a recent USDA policy clarification on treatment of Child and Adult Care Food Program payments made under the School Lunch Act to households providing dependent care as a form of self-employment.

Question: How are Child and Adult Care Food Program payments given to a day care provider for meals served to children budgeted for Food Stamps?

Answer: Payments received for children other than the providers own are considered self employment income. Allowable costs of doing business are excluded from the income. In New York State the standard \$5.00 per child per day cost of doing child care business is allowed as an unverified exclusion or the household may choose to verify actual costs that exceed this standard. See 94 GIS ES/DC018 for further explanation of the waiver granted from USDA to establish a standard cost of doing business child care provider deduction. Any net self employment income is subject to the earned income deduction.

Payments received for the child care provider's own child(ren) are considered exempt in their entirety.

This information will be found in the next FSSB update.

Oscar R. Best, Jr.
Deputy Commissioner
Division of Economic Security