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Field Operations Memo 2007-19
March 15, 2007

To: Transitional Assistance Office Staff
From:  John Augeri, Assistant Commissioner for Field Operations
Re: Food Stamp Program–Verification of Dependent Care Expenses

Overview

The Department continues to seek ways to streamline application and verification processes and maximize food stamp benefit amounts for families. To accomplish this, the Department has looked at the dependent care expense deduction and determined that only a small percentage of Food Stamp working households with children claim and receive a dependent care expense deduction.

Current TAO practice requires that dependent care expenses be verified; however, federal regulations do not mandate verification of dependent care expenses and allow states to determine verification requirements for this deduction.

Effective as of the date of this memo Food Stamp applicants and recipients who claim dependent care expenses are not required to provide verification of these expenses *unless they are questionable*. In accordance with CMR 106 361.620, questionable information...“*must be inconsistent with statements made by the applicant, inconsistent with other information on the application or previous applications, or inconsistent with other information known to the Department.*” The AU Manager ...“*must review each household’s individual circumstances. For example, if a household reports expenses that exceed income, the worker may determine that further verification is required.*”

The purpose of this memo is to give AU Managers guidance with regard to this change.

**Eligibility For
Dependent Care
Expenses**

In accordance with 106 CMR 364.400, dependent care expenses are allowed only when necessary for an assistance unit member to:

- accept or continue employment;
- comply with the Food Stamp Employment & Training Program (FS/ET) requirements at 106 CMR 362.310; or to
- attend training or education preparatory to employment.

This deduction shall not exceed \$200 per month for each child under age two and \$175 per month for all other dependents.

Note: For households with a disabled child or adult, child care expenses may be considered a medical deduction in accordance with 106 CMR 364.400 (C)(12). As with all medical expenses, these expenses must be verified.

Allowable dependent care expenses include:

- private dependent care arrangements with individuals not in the AU;
- payments for child and adult care, including co-pays for subsidized care;
- extended care programs;
- before school, after school and latch key programs, such as Boys and Girls Clubs, YMCA and YWCA;
- summer camp fees; and
- transportation costs to and from program sites at the current federal mileage rate or the cost of public transportation.

**Self-Declaration
of Dependent
Care Expenses**

When determining dependent care expenses the AU Manager must accept the applicant /recipient's self-declaration of the cost of dependent care unless the information is questionable. To be consistent with dependent care expense requirements in the TAFDC program (106 CMR 204.275), the self-declaration shall be a signed and dated statement from the individual that incurs the expense.

Examples of acceptable dependent care expenses not requiring verification are as follows:

**Self-Declaration
of Dependent
Care Expenses
(continued)**

1. Mary works 40 hours a week and has a gross monthly income of \$1800. Her 15 year-old son attends an after school basketball program for inner-city youth at the YMCA. Mary states that she pays \$100 weekly for the program and a transportation fee of \$25 weekly to bus her son from school to the program. Her rent is \$500 a month and she pays her own heating expenses.
2. Betty is in training 30 hours a week and receives \$1400 in unemployment compensation each month. She states her share of her subsidized child care is \$35 a week for each of her three children and that she drives ten miles each way to and from the day care center at a cost of \$9.60 each day (20 miles x 48 cents per mile federal allowance). She lives in subsidized housing and pays \$250 rent and pays her own cooling expense.

Examples of dependent care expenses that may be considered questionable are as follows:

1. George works 20 hours weekly and grosses \$800 a month. His rent is \$500 a month and he pays his own heat. Neither his Landlord Verification form nor utility bills indicate an arrearage. He states that he pays day care of \$150 weekly for his four children. In this situation, since his expenses far exceed his income, without a reasonable explanation, the AU Manager should request a verification of the dependent care expense.
2. At recertification Jessica claims that her dependent care expenses are now \$100 weekly, but at her last certification the expense was \$30 weekly. She has not provided a reasonable explanation for the increase such as working more hours or loss of day care subsidy, and no other circumstances have changed. In this situation a significant change in the amount claimed must be verified

In other instances where the information is questionable, as described in 106 CMR 361.620, the AU Manager must request verification of the claimed expense. Examples of acceptable verifications include but are not limited to, a signed statement from the provider, receipts or cancelled checks.

Note: TAFDC and EAEDC policies and procedures regarding verification of dependent care expenses are unchanged. See TAFDC 106 CMR 204.275 and EAEDC 106 CMR 321.275.

**BEACON
Procedures**

When verifying the expense, in the *Verification tab* of BEACON, AU Managers should select “*Verification of dependent care expenses shall be a statement from the employed individual.*” This selection should also be used for AU members complying with FS/ET requirements by attending a training or educational activity. AU Managers are also reminded that in the Food Stamp Program verification of dependent care expenses is considered optional and failure to provide verification is not a reason for denial.

Reminder: When entering the expense in the “Dependent Care Expense” window of BEACON AU Managers must correctly attribute the costs to **each dependent** for whom the individual incurs an expense. (See *BEACON User’s Guide chapter XIV-H.*)

If you have any questions, please have your Hotline designee call the Policy Hotline at 617-348-8478.
