



August 17, 2004

**United States
Department of
Agriculture**

Food and
Nutrition
Service

Northeast Region

10 Causeway St.
Room 501
Boston, MA 02222

Food Stamp Program Regional Letter 04-40

SUBJECT: Treatment of Certain Attendant Care Payments and Certain Child Care Payments

This memo provides additional guidance about how to treat certain attendant care payments and certain child care payments.

In Regional Letter 00-22, we reconsidered policy regarding attendant care payments. Under the revised policy, attendant care payments provided by an outside source is to be treated as earned income to the person providing the attendant care if the person is a household member. At that time, we said this policy does not apply to household members that pay other household members for services such as child care. The policy only applies to reimbursements for expenses provided by an outside source to a household member when service is performed by another household member.

Recently, we were asked how this policy would affect reimbursement for child care by an outside source. The concern centered on the statement "...this policy does not apply to household members that pay other household members for services such as child care..."

Many States are providing child care vouchers to low-income working households. These vouchers are funded through a block grant from the Child Care and Development Fund (CCDF), a State and Federal partnership administered by the Child Care Bureau, an agency of Administration for Children and Families. Parents can use their CCDF grants to choose from a wide spectrum of child care providers, from child care centers to relative caregivers.

The example cited during the discussion concerned a relative caregiver situation. There is a 3 person food stamp household - mother and child and the child's grandmother. The mother works. She receives a child care reimbursement from a State's CCDF. The grandmother watches the child and the mother pays her with the CCDF child care reimbursement. Is the money paid to the grandmother counted as earned income as it would be if she were providing attendant care to a disabled household member?

The money is counted as earned income. Counting such outside child care payments as earned income will keep food stamp child care policy

consistent with attendant care policy. This policy only applies to situations where the household receives child care funding from an outside agency, such as the CCDF. This policy does not apply in situations where a household member pays another household member from his/her own pocket. Such child care payments are not counted as earned income because the money is moving between household members.

If you have further questions, please contact Janice Marshall at (617) 646-5679.

Sincerely,

A handwritten signature in cursive script that reads "Laura A. Hurd".

Laura A. Hurd, Acting Chief
State Program Improvement
Food Stamp Program
Northeast Region