



Meal Reimbursements in the Child and Adult Care Food Program

Give yourself a raise, join the Food Program today! Providers are always better off financially if they join the Food Program (see the back of this form).

| | <u>Breakfast</u> | <u>Lunch/Supper</u> | <u>Snack</u> |
|---------|------------------|---------------------|--------------|
| Tier I | \$1.65 | \$3.12 | \$0.93 |
| Tier II | \$0.59 | \$1.88 | \$0.25 |

Here is what your reimbursement could be if you had kids in care 20 days a month and they received 2 meals and 1 snack per day.

| <u>Tier I</u> | 2 Children | 4 Children | 6 Children |
|------------------------------|-------------------|-------------------|-------------------|
| Breakfast | \$3.30 | \$6.60 | \$9.90 |
| Snack | \$1.86 | \$3.72 | \$5.58 |
| Lunch or Dinner | <u>\$6.24</u> | <u>\$12.48</u> | <u>\$18.72</u> |
| Monthly Reimbursement | \$228.00 | \$456.00 | \$684.00 |
| Yearly Reimbursement | \$2,736.00 | \$5,472.00 | \$8,208.00 |
| | | | |
| <u>Tier II</u> | 2 Children | 4 Children | 6 Children |
| Breakfast | \$1.18 | \$2.36 | \$3.54 |
| Snack | \$0.50 | \$1.00 | \$1.50 |
| Lunch or Dinner | <u>\$3.76</u> | <u>\$7.52</u> | <u>\$11.28</u> |
| Monthly Reimbursement | \$108.80 | \$217.60 | \$326.40 |
| Yearly Reimbursement | \$1,305.60 | \$2,611.20 | \$3,916.80 |

The purpose of the Child and Adult Care Food Program is to help you provide nutritious meals to children in care. The money is considered reimbursement for a portion of your food cost. It is not intended to cover your total food bill. You may also be reimbursed for your own children who are under 13 years of age, as long as you meet income guidelines and your own children eat with the children in care at that meal/snack.



The Child and Adult Care Food Program and Claiming Food Expenses

By Tom Copeland, JD

Family child care providers are always better off financially if they join the Child and Adult Care Food Program. Reimbursements received from the Food Program for children in the care of the provider are taxable income. Reimbursements received from the Food Program for a provider's own children are not taxable income. Providers should report taxable Food Program reimbursements and food expenses on IRS Form 1040 Schedule C. See the IRS Child Care Provider Audit Technique Guide:

<https://www.irs.gov/pub/irs-pdf/p5603.pdf> Some tax professionals are telling providers that they cannot deduct food expenses if the food was reimbursed by the Food Program.

This is false. "The [standard meal allowance rates] apply regardless of whether a family child care provider is reimbursed for food costs, in whole or in part, under the CACFP, or under any other program, for a particular meal or snack." See [IRS Rev. Pro.c 2003-22: https://www.irs.gov/pub/irs-drop/rp-03-22.pdf](https://www.irs.gov/pub/irs-drop/rp-03-22.pdf).

In addition, the IRS Child Care Provider Audit Technique Guide states, "If the provider receives reimbursement for food costs through the CACFP ... or any other program, the provider can report all the reimbursements under the income section of Part I of the Schedule C and then deduct the food expenses *in full*, which is the recommended method...." All family child care providers (whether licensed or not) are eligible to use the standard meal allowance rule to claim their business food expenses. No food receipts are necessary when using this method. Providers may also use the actual cost of food, with receipts, to estimate their food deduction.

For further information, see: Will Your Food Deductions Be Lower After Joining the Food Program? - <http://tomcopelandblog.com/will-your-food-deductions-be-lower-after-joining-the-food-program>

Is the Food Program Worth It? Yes! - <http://tomcopelandblog.com/is-the-food-program-worth-it>.

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