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## General Information Memorandum

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**ISD GI 17 - 44**

**TO:** ISD Employees  
**FROM:** Mary Brogdon, Division Director  
**RE:** SNAP Dependent Care Deduction – Qualifying Expenses  
**DATE:** November 6, 2017

This GI rescinds IPP 12 – 02 and updates and clarifies Final CFR regulations issued January 6, 2017 as per The Food, Conservation, and Energy Act of 2008 (FCEA).

FECA eliminated the cap on the deduction for dependent care expenses and allows households eligible for the deduction to deduct the entire amount of the expense not reimbursed or paid for by a third party.

The final rule clarifies that all children under the age of 18 **OR** an incapacitated adult of any age may be eligible for dependent care deductions.

- Incapacitation refers to:
  - any permanent or temporary condition that prevents an individual from participating fully in normal activities without supervision (including but not limited to work or school); and
  - requires the care of another person to ensure the health and safety of the individual; or
  - a condition or situation that make a lack of supervision risky to the health and safety of that individual.

Qualifying expenditures include:

- Actual cost of the care of children or other dependents when necessary for a household member to accept or continue employment, comply with E&T work requirements, or an equivalent effort by those not required to comply with E&T work requirements, or attend training or pursue education which is preparatory to employment or leads to a degree.
- Transportation costs to and from the dependent's residence to the dependent's care site. Physical address indicated by client and on file with ISD is to be used to

calculate day care mileage as per MAPQUEST, Google Maps, or Rand McNally etc.

ISD currently utilizes the Internal Revenue Service (IRS) standard mileage rate which is updated annually in January in ASPEN.

- Activity Fees associated with the care provided to the dependent, which are necessary for a household member to search for employment, accept or continue employment, training or education in preparation for a job, and that are necessary for the dependent to participate in the care.
  - Fees do not have to be mandatory
  - Must be specific and identifiable

Examples: cost of an art class for an after-school program or adult day care program; additional equipment fees for attending a sports camp; or the cost of field trips sponsored by summer camps.

The household's statement is acceptable for verification of dependent care expenses, unless the information given is questionable.

There is no limit on the number of dependents in a household eligible for the deduction.

Dependent care costs reimbursed by a third party are **NOT** allowable "out of pocket expenses."

As per GI 16 – 58 *Case Documentation in ASPEN*, document the electronic case file (ECF) with the amounts of the dependent care and mileage.

Refer to Job Aid #40 (attached) for the process to enter allowable dependent care costs.

For questions regarding this GI, please contact Rita A. Paz via e-mail at [rita.paz@state.nm.us](mailto:rita.paz@state.nm.us) or by telephone at 505-827-7286.


# Job Aid 40: Entering Dependent/Childcare Costs

## Purpose

The purpose of this job aid is to:


- Provide step-by-step instructions on how to enter specific allowable expenses into ASPEN.
- Enter dependent care expense.
- Enter childcare expense.
- Enter activity fees.
- Enter mileage from applicant/recipient's home to daycare provider.
- View Dependent Care Summary page.
- Case Comments.

## Policy Review



**8.139.520.11( E) NMAC Dependent Care Expenses**

- **Deductible Amounts:** Payments may be deducted for the actual cost of the care of children or other dependents when necessary for a household member to accept or continue employment, comply with E&T work requirements, or an equivalent effort by those not required to comply with E&T work requirements, or attend training or pursue education which is preparatory to employment or leads to a degree.
- **Household Member Provides the Care:** If a household member provides dependent care, the payment is neither income to the payee nor a deduction for the payor (see Subsection A of 8.139.500.11 NMAC).
- **Income Excluded/Deduction Allowed:** Households whose dependent care costs are paid in accordance with 8.139.527 NMAC, income and resources excluded by federal law, shall be entitled to a dependent care deduction only for the amount of the child care expense not reimbursed by a work program or transitional day care (TDC) program. Child care expenses reimbursed or paid by a work program or TDC are not deductible.



**8.102.520.12(D ) NMAC Child Care Costs**

Out of pocket expenses for child care that is necessary due to employment of a benefit group member shall be allowed.

- From earnings remaining after allowing the excess hours and work incentive deductions, deduct an amount not to exceed \$200 per month for a child under age two and \$175 per month for a child age two or older.
- If more than one parent is working, costs of child care shall be allocated to maximize the available deduction to the benefit group.
- The total amount deducted per child, regardless of the number of benefit group members who are employed, shall not exceed the applicable limits set forth above.

**Student Note**

**Actual costs** of the care of children or other dependents are allowed for SNAP when necessary for a household member to accept or continue employment, comply with E&T work requirements, or an equivalent effort by those not required to comply with E&T work requirements, or attend training or pursue education which is preparatory to employment or leads to a degree.

**Activity Fees** associated with the care provided to the dependent, which are necessary for a household member to search for employment, accept or continue employment, training or education in preparation for a job, and that are necessary for the dependent to participate in the care are also allowed.

- Fees do not have to be mandatory
- Fees must be specific and identifiable

**Examples:** Cost of an art class for an after-school program or adult day care program; additional equipment fees for attending a sports camp; or the cost of field trips sponsored by summer camps.

ASPEN counts these expenses for **SNAP as actual** and for **TANF only the max of the total amount** depending on the age of the child. See example below.

Case Details	SNAP Deduction	TANF Deduction
Child 1 is age 1 - Mom pays \$250 a month	\$250 the actual amount regardless of the child's age	\$200 for a child under 2
Child 2 is age 3 - Mom pays \$250 a month	\$250 the actual amount regardless of the child's age.	\$175 for a child over 2
<b>Total Deduction</b>	The total SNAP deduction allowed will be <b>\$500.</b>	The total TANF deduction allowed will be <b>\$375.</b>

## Entering Child Care and Activity Fees into ASPEN

Child care and activity fees can be combined into one entry per child in ASPEN. However, SNAP mileage needs to be entered separately, because it is not an allowable expense for TANF.

Use the steps below to enter dependent care and activity fees into ASPEN. Mileage will be discussed later in this job aid.

1. On Left Navigation, select the **Questions – Expense** page.
2. On **Does anyone in the case have out-of-pocket dependent care expenses**, select **YES**.
3. On the **Individual Information** page, click the Name dropdown list.
4. Select the name of the **person responsible for paying the expense**.

**Individual Information**

Name: Carroll Brenda 28F Individual #: 0410090019

**Dependent Care Dates**



1. Click the **When did the circumstances begin or change** date text box and enter the **date the expense started**.
2. Click the **When was the verification for the information received** date text box and enter **date verification was provided to the agency**.
3. Click the **When did the agency become aware of this information** text boxes and enter **date verification was provided**.
4. Click the **When did the client become aware** text boxes and enter **date the expense started**.

5. In the **Dependent Care Information** section, click the **Dependent care is needed for** dropdown list and select the reason **Dependent Care is needed**.

6. Click the **Verification** dropdown list and select **Actual verification provided** or **Client Statement**.

Remember, client statement is acceptable verification for TANF and SNAP for Dependent Care.

7. In the **Dependent Care Expense Details** section, click the **Individual receiving dependent care** drop-down list and select the **child or adult that is receiving the care**.
8. Click the **Dependent Care Expense Type** drop-down list and select **Childcare**.

- Click the **Monthly Amount not paid by CYFD or Third Party** text box and add **Enter amount not paid by third party**

**Dependent Care Expense Details**

Individual receiving dependent care: Carroll, Bobby 7M Individual #: 0410090021


Dependent Care Expense Type: Childcare

Enter total daily miles to/from day care provider:

Number of days traveled/month:

Monthly Mileage Amount: \$

Monthly Amount not paid by CYFD or Third Party: \$150.00

 **Student Note** If an applicant/recipient reports Dependent Care or Child Care expense and states there is also Activity Fees you will want to include them both on the same entry. Per ISD GI 16-58 Case Documentation in ASPEN, note the Expense and Activity fee where added together and give a breakdown of the two amounts in your case comments.


- Fill in the **Dependent Care Provider** section
- Click **Save + Add Dependent Care** if a mileage entry is required, or click **Save and Continue**, if the applicant/recipient is not claiming mileage

## Entering Mileage into ASPEN

For the mileage expense you will follow the same steps as entering the childcare expense except on the **Dependent Care Expense Type** drop-down list you will select **Mileage**. Only one mileage entry should be added for each dependent care/childcare provider. **For Example:** Mother pays childcare for one child, and has a dependent care expense for another older child that attends a different provider. Two separate mileage entries should be made for each provider.

Use the steps below to enter Mileage into ASPEN.

- Click the **Enter total mile to/from daycare provider** and enter the number of miles from the applicant's residence to the daycare facility as determined by the map data source.
- Click the **Number of days travel/month** text box and enter the number of days the applicant/recipient takes the child/dependent to the daycare facility as per Client Statement.
- The **Monthly Mileage Amount** is calculated and pre-fills.

 Remember, Mileage is from the applicant/recipient's place of residence to the daycare facility regardless of where they work or live.

**Dependent Care Expense Details**

Individual receiving dependent care:  Childcare  Mileage

Expense Type: Mileage

Enter total daily miles to/from daycare provider:

Number of days traveled/month:

Monthly Amount not paid by CYFD or Third Party:

Individual #:

Monthly Mileage Amount:

**Selecting Mileage opens up the two dropdowns below.**

- Click the **Monthly Amount not paid by CYFD or Third Party** text box and enter the **Monthly Mileage Amount** as populated in the **Monthly Mileage Amount** textbox.

**Dependent Care Expense Details**

Individual receiving dependent care:  Childcare  Mileage

Expense Type: Mileage

Enter total daily miles to/from daycare provider:

Number of days traveled/month:

Monthly Amount not paid by CYFD or Third Party:

Individual #:

Monthly Mileage Amount:





**Move the Monthly Mileage Amount to the Monthly Amount not paid by CYFD or Third Party.**  
**Failing to do so will result in ASPEN not counting the Mileage.**

- Fill in the **Dependent Care Provider** section.
- Click **Save and Continue**.
- Review the **Dependent Care - Summary** page, finish processing the case.

**Dependent Care - Summary**

Case Name: Carroll, Brenda    Case #: 142040422    Case Action: Case change    Case Status: Approved

[Add Dependent Care](#)   [Previous](#)   [Next](#)

Name	Dependent	Dependent Care Type	Monthly Dependent Care Amount in \$	
Brenda Carroll	Bobby Carroll	Necessary for employment	\$150.00	 
Brenda Carroll	Bobby Carroll	Necessary for employment	\$80.25	 

[Add Dependent Care](#)   [Previous](#)   [Next](#)

- Enter **Case Comments** as per **ISD GI 16-58 Case Documentation** in **ASPEN**.