



Reporting Food Program Reimbursements and Claiming Food Expenses

Food Program

- Reimbursements received from the Food Program for children in your care are taxable income.
- Reimbursements received from the Food Program for your own children are not taxable income.
- You are always better off financially by being on the Food Program.

Claiming Food Expenses

You have two choices in how to claim your food expenses:

- **Standard Meal Allowance Method (IRS Revenue Ruling 2003-22)**
 - If you use this method, you do not have to save any food receipts, business or personal!
 - Add up all the breakfasts, lunches, suppers, and snacks you serve to the children in your care.
 - Multiply the total by the following standard meal allowance rate:
 - 2015 - \$1.31 breakfast, \$2.47 lunch/supper, \$0.73 snack
 - You can claim a maximum of one breakfast, one lunch, one supper, and three snacks per day, per child.
 - All providers can use these rates whether or not they are on the Food Program and whether or not they are a Tier I or a Tier II provider.
 - Providers must keep the following records: name of each child, dates and hours of attendance in care, and the number of breakfasts, lunches, suppers, and snacks served. Be sure to save food receipts that contain non-food items such as paper products.
- **Actual Food Cost Method**
 - There is no one way to estimate your actual food costs. You can buy food separately, calculate your own average cost per meal, per child or use other methods.
 - You can deduct the cost of all the food you serve to the children in your care, whether or not it was reimbursed by the Food Program. You cannot deduct the cost of any food served to your own children.
 - The simplest and most accurate method of estimating actual food costs for most providers is to calculate an average cost per meal per child and multiply this by the number of meals and snacks you served. Your average cost per meal may be greater than the standard meal allowance rate.
 - Providers must keep the following records: all business and personal food receipts, menus, name of each child, dates of attendance, and the number of breakfasts, lunches, suppers, and snacks served.

For details, see the *Family Child Care Tax Workbook and Organizer* (Redleaf Press, 800-423-8309)

This handout was produced by Think Small (www.thinksmall.org). For additional family child care business publications, contact Think Small's publishing division, Redleaf Press, at 800-423-8309 or visit www.redleafpress.org.