

**DEPARTMENT OF SOCIAL SERVICES**

744 P Street, Sacramento, California 95814



May 15, 2006

ALL COUNTY INFORMATION NOTICE NO. I-37-06

TO: ALL COUNTY WELFARE DIRECTORS  
ALL FOOD STAMP COORDINATORS

REASON FOR THIS TRANSMITTAL

- ☐ State Law Change
- ☒ Federal Law or Regulation Change
- ☐ Court Order
- ☐ Clarification Requested by One or More Counties
- ☐ Initiated by CDSS

SUBJECT: INCOME VERIFICATION REGARDING THE CHILD AND ADULT  
CARE FOOD PROGRAM

The purpose of this letter is to provide information regarding the verification of self-employment income for Food Stamp households who receive reimbursement under the Child and Adult Care Food Program (CACFP), overseen by the California Department of Education.

On September 1, 2004, the Food and Nutrition Service (FNS) published an interim rule, "Child and Adult Care Food Program; Improving Management and Program Integrity." This letter explains the provision in that rule requiring State agencies that administer the CACFP to share information with State agencies that administer the Food Stamp Program (FSP), effective April 1, 2005.

The CACFP reimburses sponsoring organizations for eligible meals served by their family home day care providers. Reimbursement is made at two levels: a higher rate, or "Tier I," and a lower rate, or "Tier II." Providers are categorically eligible for Tier I reimbursement if their household participates in the FSP. In a recent audit, the United States Department of Agriculture's Office of the Inspector General sampled CACFP providers who had claimed reimbursement and determined that many providers, when applying for FSP benefits, understated or did not reveal self-employment income derived from child care. In these cases, the provider should have received a lower food stamp allotment or may have been ineligible to receive food stamps and may have subsequently been ineligible for Tier I reimbursement.

The CACFP regulations require that State CACFP agencies, such as the California Department of Education in California, annually collect a list of providers receiving CACFP Tier I benefits on the basis of their participation in the FSP, and, within 30 days of receiving the list, provide the list to the State FSP agency. The list will be collected from each sponsoring organization of home day care providers. Once the California Department of Social Services receives the list, each county food stamp coordinator will be provided a county specific list of households in need of verification of self-employment income. Please be aware that not all counties will receive a list; only those

counties with eligible providers receiving CACFP Tier I benefits will receive a list. It is anticipated that the lists will go out to the appropriate counties beginning the first week

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in May, 2006. Upon receipt of the list, the county must, at a minimum, review the case at the next recertification to ensure that the household has correctly reported its self-employment income.

If you have any questions, please contact Jaime Aguirre, Food Stamp Policy Development Unit, at (916) 657-3418 or [Jaime.aguirre@dss.ca.gov](mailto:Jaime.aguirre@dss.ca.gov).

Sincerely,

RIGHTON YEE, Chief  
Food Stamp Branch