

Why Should I Stay on the Food Program?

“I’m losing money because the Food Program reimbursement doesn’t cover the cost of my food.”

You are never losing money when you are on the Food Program. It’s true that your reimbursements may not cover all the cost of your food. But, it’s always better to get some money for the food you are buying than to receive nothing at all!

“It’s not worth it to claim a snack for only 20 cents.”

Wrong. A typical provider will earn over \$9.50 per hour by claiming this snack. If you served one snack a day and cared for four children, you would receive \$208 a year ($\$.20/\text{day} \times 5 \text{ days a week} \times 52 \text{ weeks a year} \times 4 \text{ children}$). If it takes you five minutes a day to claim this snack, you will earn \$9.58 per hour for your work ($5 \text{ minutes a day} \times 5 \text{ days a week} \times 52 \text{ weeks} = 21.7 \text{ hours}$ divided by $\$208 = \9.58).

“I’ll be better off if I leave the Food Program and then charge parents for food.”

If you charged parents for serving food, you’d have to report that as income in the same way as if you were receiving reimbursements from the Food Program. If the parents could afford to pay you more for food, why not raise your rates and stay on the Food Program and earn more money?

If you receive the lower Tier II rate from the Food Program you receive about \$564 per year per child. That’s \$10.85 per week. If you charged parents an extra \$10.85 per week, your income would be the same as if you stayed on the Food Program. If you charged parents less than this, you are financially worse off than staying on the Food Program. If you charged parents \$11.85 more, then you would come out ahead by only \$1 a week.

“I’ll be better off if I leave the Food Program and have parents bring the food.”

If parents brought all the food, then you wouldn’t have any Food Program reimbursements to report as income and you wouldn’t be able to deduct any food expenses.

If your food expenses are equal to your Food Program reimbursements, then you are no better off if parents bring all the food. If your food expenses are less, you will earn more money remaining on the Food Program. If your food expenses are more, you will earn more money leaving the Food Program. But, if parents don’t bring all the food (milk, juice, crackers, etc.) you will be better off on the Food Program.

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