



Department of Human Resources  
311 West Saratoga Street  
Baltimore MD 21201

## FIA ACTION TRANSMITTAL

Control Number: 02-49

Effective Date: Immediately

Issuance Date: February 27, 2002

**TO: DIRECTORS, LOCAL DEPARTMENTS OF SOCIAL SERVICES  
DEPUTY/ASSISTANT DIRECTORS FOR FAMILY INVESTMENT  
FAMILY INVESTMENT SUPERVISORS AND ELIGIBILITY STAFF  
PURCHASE OF CHILD CARE PROGRAM ADMINISTRATORS**

**FROM: CHARLES HENRY, EXECUTIVE DIRECTOR, FIA  
LINDA HEISNER, EXECUTIVE DIRECTOR, CCA**

**RE: PURCHASE OF CHILD CARE INCOME CALCULATIONS**

**PROGRAM AFFECTED: PURCHASE OF CHILD CARE**

**ORIGINATING OFFICE: CHILD CARE ADMINISTRATION**

**SUMMARY:** This action transmittal clarifies the procedures for calculating income for Purchase of Child Care (POC) cases. For simplification purposes, average the last 4 weeks of income in standard and non-standard income circumstances. The only exception is child support which requires 6 months of income consideration. Up to 2 months of additional income may be requested in order to detect income patterns, but should not be used in the calculation. Updated information is printed in bold.

**ACTION REQUIRED:** Please apply the following procedures when calculating standard income:

1. Obtain income documentation for the most recent 4 weeks.
  - A. Weekly - 4 pay stubs
  - B. Biweekly - 2 pay stubs
  - C. Monthly - 1 pay stubs
2. Total all household income. **Drop cents at all times during the calculation except when using hourly income amounts.**
3. Average the total by dividing by the number of pays.
4. Enter the total on the CCAMIS Income Worksheet.

Please apply the following procedures when calculating various types of non-standard income:

1. New Employment: Obtain an employer's written statement of anticipated days, hours and payment.
2. Less than 12 month employees: Multiply monthly earnings by 10. Enter the total into CCAMIS as yearly. Disregard the 10 month income of customers who have separate employment for the summer. Count the summer earnings only. Use the 10 month income when the regular job resumes.
3. Military Service Pay: Calculate entitlement, allowances and bonuses. Deduct rental fees from gross monthly income.
4. Self-employment: Verify income with the previous year's tax return, income receipts or profit and loss statements and count the net income.
5. Commissions: **Average the last 4 weeks of income** and divide by the number of commission verifications.
6. Regular Overtime: **If overtime appears on 2 or more pay stubs in a 4 week period, it is considered regular. If it appears on only 1 biweekly or one monthly pay, request 2 additional months of pays to determine if there is a pattern to the overtime. If there is a pattern, the overtime must be calculated as regular income (i.e., \$200, \$225, \$200 and  $\$225 = \$850/4 = \$205$  monthly). Use only the 4 most recent weeks of pay to determine the monthly average.**
7. Irregular Overtime: **If overtime appears on only 1 pay stub, it is considered irregular. Average the most recent 4 weeks of income, excluding the overtime. Enter the overtime amount in CCAMIS as yearly.**
8. Seasonal Work: **Calculate the most recent 4 weeks of income (if available) or obtain an employer's written statement of anticipated days, hours and payment.**
9. Piece Rate: **Calculate the most recent 4 weeks of income.**
10. Child Support: Average the last 6 months of child support. If separated less than 6 months, average by the number of months since the absent parent left the household. Count contributions that are made directly to vendors on a regular basis on the customer's behalf as monthly income. Apply a value to any in-kind support the customer receives and count it as monthly income.

Enter totals on the CCAMIS Income Worksheet.

**INQUIRIES:** Direct policy or procedures inquiries to Betsy Blair at 410-767-7845 or [bblair@dhr.state.md.us](mailto:bblair@dhr.state.md.us). Direct CCAMIS inquiries to Anne Webster at 410-767-7815 or [awebster@dhr.state.md.us](mailto:awebster@dhr.state.md.us).

cc: DHR Executive Staff  
CCA Management Staff  
CCA Program Management Staff  
CCA Program Standards Staff  
FIA Management Staff  
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