

# Dependent Daycare Flexible Spending Account Documentation Requirements

## IRS Required Documentation for Dependent Daycare FSA Expenses

Dependent daycare Flexible Spending Account, or the Dependent Care Assistance Program (DCAP), reimbursement processes are regulated under federal law. Under the law, enrolled dependent care FSA participants are responsible for providing documentation to support their claim for reimbursement the IRS designates as acceptable.

### What documentation is required?

Documentation must include the following information (no exceptions):

- 1. The name of daycare provider and provider's Tax ID or Social Security Number**
- 2. The dates service was provided (the service must have already been received)**
- 3. Basic description of service clearly defining the service as daycare for your dependent**
- 4. The cost of services provided**

The expenses should be correlated with the **service dates** and *not payment dates*.

While Benesyst always makes every effort to make participant reimbursement fast and easy, we must comply with IRS regulations.

### What if I can't get the required documentation?

You can have your provider sign your claim form! If you experience any difficulty in obtaining the federally-required documentation from your daycare provider, you always have the option of having your provider sign our FSA Dependent Daycare Easy Reimbursement Request form, verifying eligible services have been provided.

By submitting a completed form, signed by your daycare provider, your claim will be in compliance. If your daycare provider completes and signs the reimbursement section, separate billing or receipts are not needed.

Daycare Provider Information		REQUIRED: Daycare Providers Tax
Name: _____		_____
<small>IF DAYCARE PROVIDER COMPLETES REIMBURSEMENT SECTION AND SIGNS BELOW, SEPARATE BILLING OR RECEIPTS ARE NOT NEEDED. I, the undersigned, certify that I have provided daycare for the participant's dependents as listed above for the periods indicated. The participant is responsible for the cost of these services, which have I certify that I am not a child of the participant unless I am also (a) not a dependent of the participant and (b) over age 18.</small>		
<input checked="" type="checkbox"/> _____ Daycare Providers Signature		_____
		Date

### Sample acceptable documentation:

Example Daycare  
123 Noman Street  
Everywhere, NC 55555

John Doe  
111 Doe Ave.  
Somewhere, NC 55555

Date	Transaction
1/31/2010	Daycare for January 2010
2/1/2010	Payment

**STATEMENT**

Provider Tax ID or Social Security Number: 987654321

Amount Due \$800

800.00	800.00
-800.00	0.00
Amount Due 0.00	

### Documentation that does not meet IRS substantiation requirements:

- Bank statements
- Credit card receipts
- Tuition payment receipts for educational expenses
- Provider brochures

# 2012 | Eligible Dependent Daycare Flexible Spending Account Expenses

## Expenses Eligible Through Your Dependent Daycare FSA

The dependent daycare FSA can provide significant tax savings if you pay for the care of a dependent (**under the age of 13**) **in order to work**. If you are married, both you and your spouse must be employed (volunteer work does not apply), attending school full-time or looking for work to be eligible.



### Common Expenses Not Eligible for Dependent Daycare FSA

- **After school enrichment classes:** Programs and lessons that are primarily for education or are skill oriented are not reimbursable.
- **Nursing home:** Not reimbursable through a dependent daycare FSA, or a healthcare FSA.
- **Tuition/educational expenses:** Tuition/educational expenses for a child in kindergarten or higher grades are not reimbursable.
- **Kindergarten tuition:** Not a qualifying expense as such expenses are primarily educational in nature, whether half or full-day, private or public school, state-mandated or voluntary. Before and after-school care should qualify.
- **Overnight camp:** Not eligible for reimbursement.
- **Diaper fees, meals, snacks and beverages, activity supply fees that are not related to care**
- **Field trips / enrichment classes / lessons e.g. music, sports, education, etc.**
- **Sick employee:** Amounts paid to care for dependent while participant stays home due to illness are not reimbursable.
- **Volunteer work**

### Eligible Dependent Daycare Expenses:

- **After school care:** Primarily custodial in nature are reimbursable.
- **Au Pair:** Amounts paid for the care of a child—transportation related to an au pair are not reimbursable.
- **Baby-sitter:** If not a spouse or dependent of the participant.
- **Camp:** See *overnight camp, summer day camp*.
- **Daycare:** Amounts paid to dependent daycare center.
- **Deposits:** Deposits allocated to the care of a dependent are reimbursable after the service has been provided.
- **Elder care:** Amounts paid for the care of a dependent adult who is unable to care for him or herself that are not associated with medical expenses. The dependent must live in your residence for at least eight hours each day.
- **Extended day programs:** Supervised activities for children after the regular school program, which are primarily custodial in nature, are reimbursable.
- **Looking for work:** Amounts for dependent daycare so the participant or the participant's spouse is able to look for work.
- **Nanny fees:** Amounts paid to a nanny for the care of a child are reimbursable.
- **Nursery school/ Pre-kindergarten:** Reimbursable.
- **Registration fees for care:** Qualifies if it is an expense that must be paid in order to obtain care, after the care has been provided or prorated over duration of the agreement with the provider.
- **Relative of participant, expenses paid to, e.g. parent or grandparent of participant:** Yes, unless the relative is a dependent for whom the participant or spouse can claim an exemption, or is a child or stepchild of the participant under age 19.
- **Sick-child center:** Enable participant to work when child is ill.
- **Summer day camp:** After the child has attended the camp. Supplies, registration, deposit, food, activities, transportation and other costs related to the summer day camp are not eligible for reimbursement.
- **Taxes:** FICA and FUTA taxes paid to a daycare provider.