

Topic Doc – Child Care Tax Statements (for 10.3 Users) (Updated 14 Jan 2014)

Background

The Child Care Statement report primarily provides parents with a record of payments made toward balances in programs flagged as “**Child Care Activity.**”

The Global Child Care Statement can be run:

- **By staff** in an office setting or **by parents** using WebTrac
- At the **end of the calendar year** to assist parents with their tax records
- **Any time for any date range** – this is helpful for families who PCS or withdraw during the tax year. Transactions do not move from garrison to garrison, so parents need to get a closeout tax statement before they PCS.

What Should Be Included in the Child Care Tax Statement?

- The statement is primarily run to include money paid against the family’s full day and part day care **Activity Enrollments.**
 - In some circumstances, **Pass Visits** (Hourly Care/Late Pickups) may be counted as valid tax credits and should be included.
 - **Pass Registrations** (Annual Registrations) can also be included, but are no longer applicable for Army programs.
 - **POS** can also be included, but we caution you to be careful with POS – typically POS is not selected and if it is, you would only include specific transaction codes for inclusion on the Details screen. If you feel you need to include POS, contact VSI for assistance.
- A big question in 2010 was: should we include hourly care on the statement. Traditionally, we have only provided **Full/Part Day care** information – but more and more parents have started requesting a listing of their **hourly fees** as well.
- The basic **IRS rule** is: Only child care expenses related to **work or looking for work** are eligible (with a few exceptions). It is up to the parent, not us, to determine what qualifies.
- To avoid having to run separate hourly statements for those who request them (if you used to provide only full/part day information) – or if you are already including hourly care, to avoid misleading parents into thinking everything on the statement we give them is eligible, ALL GARRISONS should link an **Army-standard Comment Code** to the Child Care Statement that puts the burden back on the parents to make the determination.
 - This is a measure designed **to protect both you and the parents** and **to give parents some assistance in interpreting the statements** we give them.
 - Here is the **required Comment Code** that will print out with the Child Care Statement:

NOTE: This statement includes all child care payments made for children in this household during the reporting period. It is the parent's responsibility to determine which of the listed charges qualify for the Child Care Tax Credit in accordance with current Internal Revenue Service (IRS) definitions and rules.

-- Items designated as "A/R" or "Activity" include full day/part day care fees, before/after school fees, camp fees, late payment fees and other activity-related charges.

-- Items designated as "Visit" or "Pass" include hourly care fees, late pickup fees and other visit-related charges.

NOTE: This is the first 10.3 Childcare Statement Topic Doc

To Produce a Valid Child Care Statement If You Are Running **CYMS 10.3, You Must Have:**

1. **THE CORRECT SYSTEM SETUP**
2. **THE CORRECT REPORT SETTINGS** (correct Selection Criteria is critical)

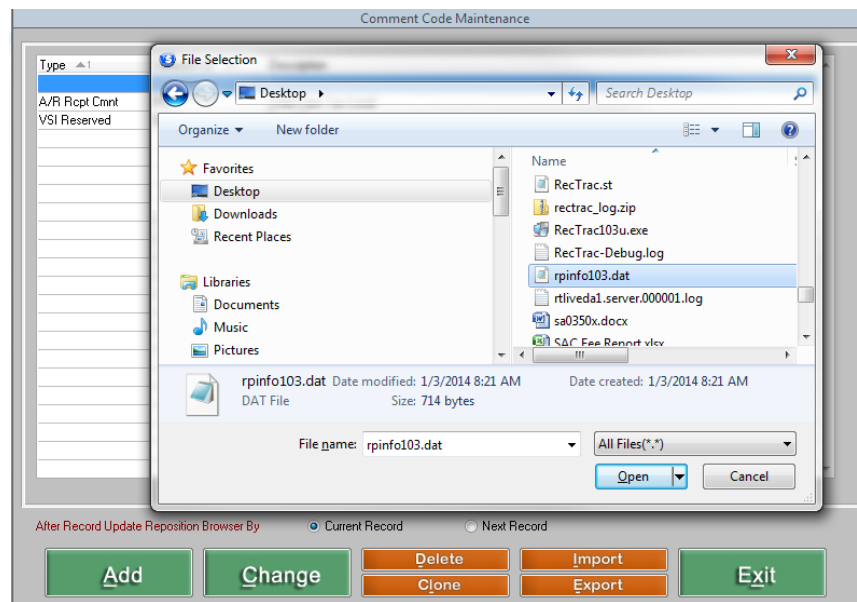
1. **SYSTEM SETUP**: Below are items to check to make sure your system is correctly set up.

- Is the **correct version of CYMS** loaded? All CYMS clients, Garrison CYMS server, and Portal CYMS server must be on the same version: **10.3t or higher**. If you are not on **10.3 letter version "t"** or higher, you must contact VSI for upgrade assistance immediately.
- Is the **correct Comment Code** (IRS Child Care Tax Credit statement) linked to the report? This should have been imported in January 2010.

Go to: **Reports → Global → Global Financial Reports → Global Child Care Statement**. You should have a comment code called IRS (containing the blue text above) linked.

If it is **not linked**, follow the instructions below. The file (**rpinfo103.dat**) will be available on the FTS AKO site.

Import the Comment Code. On any of your CYMS computers: Go to **Files → System → Other Maintenance → Comment Code Maintenance**



- Click the **Import** button. A box will appear.
- **Browse** and locate the **rpinfo103.dat** file.

- Highlight the file and click **Open**.
- Click **OK** to the Import Complete Message. You should now see the **IRS** code in your listing.

A/R Rcpt Cmmt	GTM-5	Gym Spring Parent Meeting
A/R Rcpt Cmmt	IRS	Child Care Tax Credit

- Are the correct activities flagged as child care? The checkbox is located on the **Core 2** screen of **Activity Section Maintenance**.
 - CDC – Full Day and Part Day programs
 - School Age – Before and After School programs
 - School Age – School Year Vacation Camp and Summer Camp programs
 - MS – Before School program (if you offer)
- Pay special attention to your **Pay Codes** – if new tender type pay codes were added to CYMS this year (for example, when you were fielded with CPS) – you need to reset the report per user:
 - Each user’s settings are unique to them, so each user must ensure the correct pay codes are marked Include/Skip, then run the report.
 - **Note:** You cannot go in and just run the report with last year’s settings (see the Running the Report section below for the correct settings).
- Is your **WWW user set up** correctly so parents can automatically run the report using WebTrac?
 - Settings were established during web fielding – but errors could have occurred or settings / pay codes might have changed.
 - Everyone should go in and make sure the WWW user settings are correct:
 - **Log in** as the WWW web user and **verify** the report is being run with the correct pay codes marked Include/Skip (in the Running the Report section below).
 - **Run** the report logged in as the WWW web user with the corrected settings.
 - This action will lock the settings in for the report the parents will run on their own.
- Is your garrison **Tax ID # recorded** in CYMS? The Tax ID # prints out on the Child Care Statement for every patron. To enter or change your Tax ID:
 - Go to Files → System → Parameter Codes Maintenance → Static Parameters Maintenance
 - On the **Core Info** screen, enter the **Tax ID Number(s)** in the **ST Tax ID Number** and **Fed Tax ID Number**. (example: 75-1360092)
 - If you do not know what your local Tax ID is, check with your Financial Management Office.
 - Click **Done**.

2. **CORRECT REPORT SETTINGS – SELECTION CRITERIA:**

NOTE: CYMS report memory means that the user settings will be recalled each time the report is run, unless default settings are restored. Since pay codes and other settings might have changed from last year, it is a good idea to **click the DEFAULT SETTINGS button** and set the report up clean this year

- How to run **Global Childcare Statement** (sa0525) report for correct results

- **Button:** Childcare Statements
 - **Path to:** Reports → Global → Global Financial Reports → Global Childcare Statement
- **On the Main screen:**
 - Remove any households that currently show in the browser by using the **Clear Entries** button.
 - Add the appropriate Household to the browser using the **Add Entries** button and select **Browser Only**. Remember in 10.3 **Browser Only** means run the report for any record that shows in the browser regardless of whether it is highlighted.
 - Specify the **calendar year range** on which you need to report
 - Toggle on **Include Actv Reg and Include Pass Visits**.
 - Only toggle Pass Reg and POS if appropriate.
 - *Be careful with POS – typically this is not selected and if it is, you would only include specific transaction codes for inclusion on the Details screen.*
 - The **Print Statements As Mailers** option yields a more professional looking report, so I suggest using it.
 - Decide whether you wish to Sub-Total Payments by the **Month** and or by the **Family Member** and/or by the **Pay Code**
 - Right-click into the **Comment Code** field to select the “**IRS-Child Care Tax Credit**” comment code.
 - Select the **Details** button (You need to visit the details screen to confirm settings.)

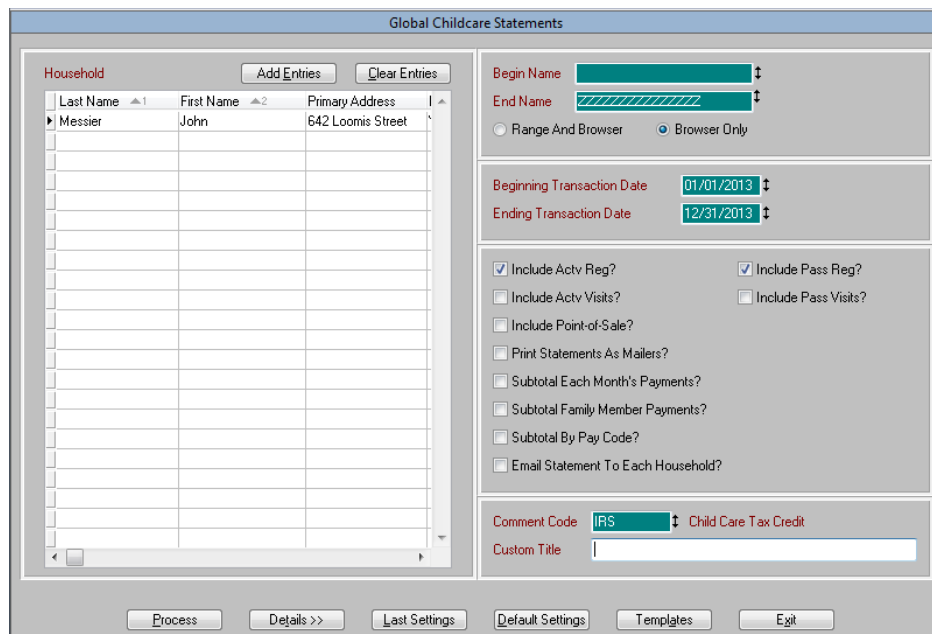


Figure 1: Global Childcare Statement main screen – showing one household, Browser Only option

- **On the Details screen:**

- The report is **best run wide open (all activities) to capture all payments** in all of your programs for the household. This is the most efficient way to run the report for household.
 - In some circumstances, you may want to run the reports by **Activity Range and/or Pass Type**. If so, use the range options on this screen.
 - Be aware, though, that you may not be getting the whole picture for the household by running the report this way.
 - If a child was in a facility, location or pass type outside of the range you specify, that information will not be included.
 - *To **run by classroom** (restricting activity, but gathering all households with children in specified activity):*
 - Go to the Details screen and enter a **Beginning and Ending Activity**.
 - On the main screen, toggle the **Range and Browser** option.
 - Leave the name range as **<blank> thru ZZZZZZ**.
- **Visit Dates:** You should make the **Visit Date** range equal to the calendar year for which you are running the Child Care Tax Statement. This will ensure payments made this year against visits from prior years will not be included on the report.
 - Example: If you are running the statement for 1/1/2013 thru 12/31/2013 - make the visit range the same. Any visit done prior to 1/1/2013 or after 12/31/2013 that was paid in 2013 will not be reflected in the 2013 tax statement totals.
- Use the Pay Code dual selection list to **Include** or **Skip** pay codes.
 - **Skip** all pay codes in **both** Credit and Debit columns that reflect:
 - **Discounts**
 - **Agency Payments**
 - **Vacation Credits**
 - **Journal Payments**
 - Other methods of payment where **no money is exchanged (Civilian Collections, Garnishments, etc.)**
 - **Failure to skip these types of codes may overstate the parent's Net Payment amount.**
 - **Include** pay codes in **both** Credit and Debit columns for:
 - **Check**
 - **Cash**
 - **Credit Cards**
 - Also **include Pay Codes 90-99**.
 - **Pay Code 99** shows system movements of advance payments parents have made *from* the advance payment Control Account to the Revenue account.
 - You may have other valid pay codes where money is exchanged that should be included, like:
 - **Money Orders**

- Travelers Checks
- E-Check Down, etc.

- **Remember:** What is in the **CREDITS** and **DEBITS** sections of the screen should match exactly!!!

Figure 2: Global Childcare Statement Details screen with Check, Cash, Credit Card and Pay Codes 90-99 selected

Trouble-Shooting

If your report is set-up correctly but you still get no results/not the results you expected, check the following:

- Are all **Childcare Activities toggled** as such? Look at the section level on the Core 2 screen and make the selection as needed. The good news is that the report will pick up your changes next time the report is run.
- Are you running 10.3t or higher?
- Review your **selection criteria** again (at least 80% of “wrong” Childcare Statement results are due to incorrect selection criteria, primarily incorrect pay codes skipped or included).

Tips

- Market the fact that parents can print Child Care Statements **24/7 online**.
 - Put a **scrolling marquee** on the CYSS site and the garrison dot com site (link to the CYSS Online login screen)
- Leave patron **access to WebTrac** when they withdraw from care/PCS/etc.
- If you export the household via **Global Data Export, run report for parent**, email it to them, and link to their HH docs. GDT does not transfer transaction history.

- Add an **Activity receipt comment** like “Please retain your childcare payment receipts for tax purposes.”, and link it to your Receipt Format Devices.
- Remember this report is a guide to help parents organize their receipts for tax purposes. It is **not a legally required tax document** like a W2 or a Form 1099, etc.
- Run **onsite refresher training** for all CY staff that may need to run the report for patrons. Doing training onsite allows you to confirm that their settings are correct.

Resources

All docs and referenced files can be found on the FTS AKO site in the **CYMS – Child Care Tax Statement Guidance** folder for 10.3 garrisons (<https://www.us.army.mil/suite/files/42003616>).

- This **new Topic Doc-Child Care Statements (10.3)** dated 14 Jan 2014. This is the first 10.3 specific guide we have published.
- Standard **IRS Comment Code** (if not already loaded): **rpinfo103.dat**