



Advance Child Tax Credit Income Budgeting Guide for SNAP

07/01/2025

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Guide Overview

This guide provides policy and procedural information to help determine when, and how to budget Advance Child Tax Credit (ACTC) payments for SNAP applicants and recipients. This guide also incorporates the new Acting on Changes During the Certification Period procedures, effective 7/1/2025. [REDACTED]

Included throughout the guide are case examples of how to act during specific circumstances. [REDACTED]

What is Advance Child Tax Credit (ACTC)?

The Child Tax Credit (CTC) is an income-based refund tax credit for families with eligible children. Tax credits reduce families' tax bill and may increase their refund. Families that claim the CTC on their income tax return, can choose to receive part of their Child Tax Credit for the next year in three advance payments between August and December of the same year. The advance payments are referred to as Advance Child Tax Credit (ACTC).

The Minnesota Department of Revenue expects to start sending the advance payments at the end of the July, September, and November. Based on the payment type families can expect to receive payments by:

- **Direct Deposit:** August 1, October 1, December 1
- **Check:** August 15, October 15, December 15

Visit the websites linked below for more detailed Child Tax Credit information:

- [MN Department of Revenue Child Tax Credit](#) (This includes CTC eligibility and amount)
- [MN Department of Revenue Advance Payments of the Child Tax Credit](#)
- [MN Department of Children, Youth, and Families and Child Tax Credit](#)

SNAP and Advance Child Tax Credit (ACTC)

For SNAP, including Uncle Harry Food Support (UHFS), the gross amount of advance payments count as unearned income. Count the gross ACTC payment amounts even when ACTC payments are used to pay or offset any Minnesota tax or government debts owed. See Combined Manual (CM) [17.12.03 \(Unearned Income\)](#). These payments are not counted for cash assistance.

Families that do not receive advance payments will not see an impact on their SNAP benefits. Families may stop or opt out of receiving the ACTC payments. When a family who previously opted in for ACTC changes their mind and opts out, the advance payments will stop. The family cannot opt in again for that same tax year. They must wait until they file their next tax return to opt in again. Ask families how many payments they have received and expect to receive in order to budget the correct amount. See [Stopping or Opting Out of Future ACTC Payments](#) section of this guide for more information on what to do when the family opts out of future payments.

Reporting and Verification

Families applying for SNAP must report the payments at application when they have received at least one payment. Active SNAP units that receive the advance payments must report the payments according to their unit's reporting requirements. See [CM 07 \(Reporting\)](#) for more information on SNAP reporting requirements. Assess for overpayments when payments as necessary following the overpayment policies in [CM 25.03 \(Determining Incorrect Payment Amounts\)](#).

ACTC payments must be verified including when a unit stops or opts out of remaining payments. Accept written statements as verification when there are no other verification options. Families may have letters from the Department of Revenue confirming their payments and amounts. Families can stop or opt out of the remaining payments over the phone or online, therefore, a written statement from the unit is acceptable in this situation.

Budgeting ACTC payments

Budgeting the 3 ACTC Payments

Units can receive up to 3 ACTC payments and the payments are intended to cover every month through July 31st. When a unit receives 3 payments, the payments must be converted to a monthly amount by annualizing the anticipated payments over 12-months starting with the month that the first payment is received. The payments must be annualized regardless of when the agency learns of the payments or budgets the payments. This means each payment represents a time period of 4 months. These payments cannot be budgeted past July 31st. For example, families that opt in for ACTC payments in 2025 would have those payments budgeted for SNAP between 08/2025 - 07/2026. [REDACTED]

[REDACTED]

If the family chooses to opt in for advance payments again next year, the new payments must be re-annualized and would be budgeted beginning in August of that year. For example, families that opt in for ACTC payments in 2026 would have those payments budgeted for SNAP between 08/2026 - 07/2027. [REDACTED]

[REDACTED]

Stopping or Opting Out of Future ACTC Payments

When a unit reports they have stopped or opted out of their remaining ACTC payments during the certification period, follow the policies in CM [08.06.01 \(Implementing Changes – Program Provisions\)](#) to act on the change.

When the change can be acted on and has been verified, budgeting the ACTC payment [REDACTED] must be adjusted as follows:

When the unit expects to or has received:	To ensure the correct amount of the payments is budgeted:
The first payment and has stopped the second and third payments	Budget the first payment until November 30 th . [REDACTED]
The first and second payments and has stopped the third payment	Budget the first and second payments until March 31 st . [REDACTED]

Regardless of when the unit reports stopping or opting out of ACTC payments, (application, review, recertification, etc.), follow the table above to determine when to end and/or how long to budget the payments.

[REDACTED] Depending on the timing of when the family reports opting out of payments, some or potentially all of a payment will not count towards the SNAP budget, and that is correct procedure. See [Six-Month Reporters](#) Case Example 2, below.

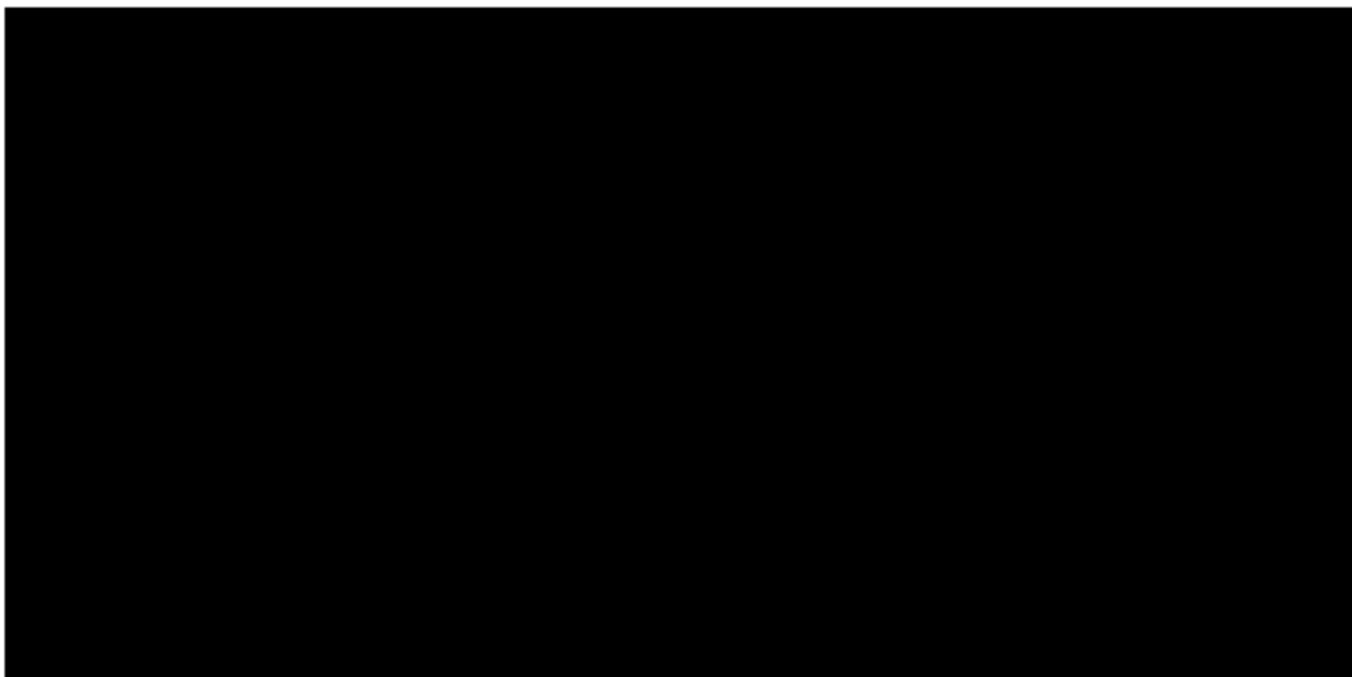
ACTC SNAP Budget Worksheet

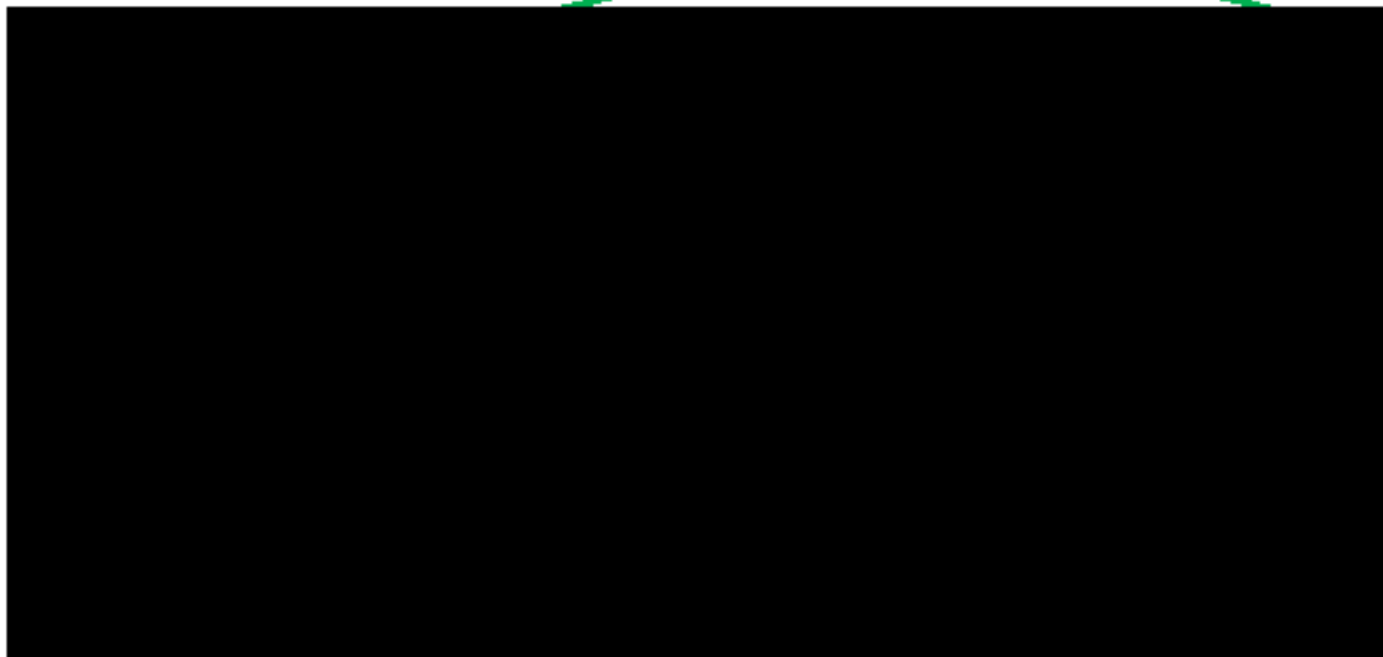
An ACTC SNAP Budget Worksheet has been developed to assist in converting the payments into a monthly amount. To use the worksheet, workers will need to know how much one ACTC payment was/will be and how many ACTC payments the unit expects to receive. The worksheet will calculate and convert the payments into a monthly amount. The worksheet also includes the budget dates depending on how many ACTC payments the unit will/has received. As a best practice for documentation, save a copy of worksheet calculation in the unit case file.

ACTC Budget Worksheet and System Entry Example

Mom and 1 minor child apply for SNAP in early August. She marked on the application they opted in for advance child tax credit payments. During the interview she confirmed receiving the first payment and she anticipates

receiving the next 2 payments. The ACTC payments will be direct deposited into her bank account. Each of the three payments will be \$292. To determine the monthly amount to budget for SNAP between 8/2025 through 7/31/2026, use the Advance Child Tax Credit SNAP Budget Worksheet.





Case Examples

Let's look at a few case examples to practice determining the amount of the ACTC payments to budget, and how and when to act on changes in this income.

Applications

Example 1: August SNAP Application + Stopped Payments

- Dad and one minor child apply for SNAP on August 19th.
- At the SNAP interview, dad reports he elected to receive the Advance Child Tax Credit (ACTC) payments and received a \$250 payment on August 1st and anticipates receiving the other two payments for a total of three payments.
- The worker receives verification confirming the \$250 ACTC payment.
- The worker uses the ACTC SNAP Budget Worksheet to determine the monthly amount to budget. The calculator shows \$62.50 must be added [redacted] for application month – July 31st of next year.
- [redacted]

Example 1, continued: The unit stops the last payment

- On November 29th, the unit speaks to their worker. The unit reports they stopped the last ACTC payment and did not receive it.
- The unit is subject to six-month reporting.
- The change does not meet any of the criteria for the worker to act immediately during the certification period. It is not verified upon receipt; it does not indicate that incorrect information was used and

reported at application and the unit is not required to report this change. The worker holds acting on this change until the unit's next renewal, which in this case is their six-month review.

- The worker informs the unit they may voluntarily provide verification of the income stopping.
- On December 9th, the worker receives a written statement voluntarily provided by the unit that confirms the unit did not receive the last ACTC payments and the ACTC payments stopped.
- Since, the unit did not receive the last ACTC payment, the income [REDACTED] must end by March 31st to ensure the correct amount of income is counted.
- [REDACTED]
- During March, the worker removes the income for April and reapproves SNAP.

Example 2: October SNAP Application: Gross vs net payment amount

- Two parents and their four minor children apply for SNAP on October 25th.
- At the SNAP interview, parents report they received two ACTC payments. Each payment was \$800.
- The worker receives verification, but the verification indicates the gross amount of each ACTC payment was \$1,000 as the payments were used to offset a Minnesota tax debt the parents owed.
- The worker calls the unit to confirm the payment amount, and the unit agrees that the gross amount of each payment is \$1,000.
- The worker uses the ACTC SNAP Budget Worksheet to determine the monthly amount to budget. The calculator shows \$250 must be added [REDACTED] for application month until July 31st of next year.
- [REDACTED]

Six-Month Reporters

Example 1: Required to report ACTC payment and provide verification

- Client, wife, and three minor children are receiving SNAP.
- The unit is subject to six-month reporting.
- The unit has opted to receive ACTC payments.
- On August 5th, the unit receives their first payment of \$700.
- The payment causes the unit to exceed the 130% FPG for their unit size, so the unit must report the payment by September 10th.
- On August 30th the unit leaves their worker a voice message to report they have opted to receive all 3 ACTC payments and that they received their first payment in early August. The unit forgets to mention the amount of the first payment.
- The worker receives the voice message later that day but does not have all the required information to act on the change and must hold the change until the unit's next review or recertification. The worker enters a case note with the information and states the change will be held.
- On September 2nd, the worker receives the payment verification the unit voluntarily sent in. The verification confirms the August ACTC payment was \$700. The worker now has all the information required to act on the change.

- The worker uses the ACTC SNAP Budget Worksheet to determine the monthly amount to budget. The calculator shows \$175 must be added [REDACTED] ongoing until July 31st of next year.

- [REDACTED]

Example 2: Six-month reporters: Not required to report ACTC payment + Combined Six-Month Report (CSR)

- Client is open on SNAP for herself and two minor children.
- The unit is subject to six-month reporting.
- They have opted to receive Advance Child Tax Credit (ACTC) payments.
- They receive their first ACTC payment of \$350 on August 1st.
- The payment does not cause the unit to exceed the 130% FPG for their unit size. Therefore, they are not required to and do not report the ACTC payment by September 10th.

Example 2, continued: The unit completes CSR

- The unit is due for a January SNAP CSR.
- On December 2nd, the unit submits a complete CSR. On the CSR, they report receiving the August ACTC payment and that they only received one payment because she opted out of the 2nd and 3rd payments.
- The August payment did not put the household gross income above 130% for the unit size.
- August ACTC payments are intended to cover the 4-month period of August – November.
- The worker does not budget the ACTC payment for this unit because the unit has opted out of the remaining two payments, and the intended months of coverage for the payment have passed.
- There are no overpayments as the unit was not required to report the August payment.

Change Reporters

Example 1: Change reporters: Required to report ACTC payment and provide verification

- A mother and her 2 minor children are open on SNAP and are change reporters.
- The mother has earned income, so the unit has a 6-month certification period of May – November.
- The mother indicates on the recertification form, received 10/06, that she opted in for ACTC payments and received her first payment 8/1 for \$475.
- During the recertification interview, the worker confirms the client opted in for all three advance payments.
- This income was not reported previously. The first payment was more than \$125, which is the unearned income threshold for reporting for change reporters, which means this change was required to be reported by 9/10.
- The worker takes this opportunity to clearly explain what the change reporting requirements are so that the client can report required changes correctly, going forward.
- The worker uses the ACTC SNAP Budget Worksheet to determine the monthly amount to budget. The calculator shows \$118 needs to be added [REDACTED] for November and counted on-going.
- If this income would have been reported timely, \$118 would have been counted for October-July. The worker assesses for client error overpayments for October.

Example 2 Change reporter; UHFS:

- Active MFIP case with 1 adult and 1 child. A 2nd child is on SSI and is open on Uncle Harry Food Support (UHFS). The UHFS case is a change reporter.
- On August 8th, the adult calls his worker and lets them know they received their first ACTC payment in the mail and is unsure if the worker needs to know this. During the call, the worker clarifies whether they opted in for all 3 payments and what the amount of the first payment was.
- The client states they opted in for all 3 payments and the check was \$312. Using the ACTC SNAP Budget Worksheet, the worker sees that if counted the monthly amount to budget is \$78.
- However, since the ACTC is payable to the adult and not the children there is no change to the UHFS budget.
- MFIP does not count the Advance Child Tax Credit payments as income, so no change is made to the MFIP budget.

Example 2, continued: Parent switches to UHFS

- On November 12th, the adult calls his worker to report he has now been approved for SSI and got his first payment November 5th.
- The worker confirms with him that they received the 2nd ACTC payment and is still expecting to receive the 3rd payment. He emailed a copy of the verification to his worker later that same day.
- The worker updates the case for December and includes the \$78 ACTC payments in the UHFS budget through July 31st of next year.
- [REDACTED]

Resources

[REDACTED]

- Advance Child Tax SNAP Budget Worksheet [REDACTED]
- Combined Manual
 - [07 \(Reporting\)](#)
 - [08.06.01 \(Implementing Changes- Program Provisions\)](#)
 - [17.12.03 \(Unearned Income\)](#)

[REDACTED]