

CACFP Administrative Handbook

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11. Sponsors of Multiple Centers

Introduction

A Sponsor of Multiple Centers refers to a public or non-profit private organization or for-profit organization that is program eligible that assumes full responsibility for the administration of the CACFP. Responsibility is assumed for one or more child care center(s), outside-school-hours care center(s), adult day care center(s), at-risk afterschool meals site(s), Head Start program(s), homeless/emergency shelter(s), or any combination of these, that are unaffiliated, or any combination of these that are affiliated. Unaffiliated sites are legally distinct entities from the sponsor. In contrast, affiliated sites are part of the same legal entity as the sponsor. The sponsor is administratively and fiscally responsible for all sites and must manage and monitor them as defined by regulations.

Participation Requirements

To participate in the CACFP as a sponsor, an organization must:

- ◆ Complete an Administrative Proposal, an Application for participation as a Sponsor and Center Site Applications for each site, Management Plan and Administrative Budget
- ◆ For unaffiliated sponsor applications, complete the Demonstration of Need
- ◆ Demonstrate financial viability, capability and accountability for CACFP participation
- ◆ Assume administrative and financial responsibility for operating the program and for submitting and maintaining online applications for participation for the sponsor and its centers
- ◆ Provide adequate supervisory and operational staff for management and monitoring of the program at all centers
- ◆ Provide program and nutrition related training and technical assistance to personnel with CACFP duties
- ◆ Conduct monitoring reviews and review monthly claims from centers to ensure compliance with program regulations
- ◆ Undertake corrective action when necessary and conduct follow-up visits to ensure resolution of problems
- ◆ Comply with requirements related to the financial aspects of the CACFP
- ◆ Maintain appropriate records of costs and meals to support the number of meals claimed for reimbursement and demonstrate the operation of a non-profit food service fund
- ◆ Submit claim for reimbursement to Kansas State Department of Education (KSDE) in the KN-CLAIM system and distribute reimbursement funds to the centers for CACFP use
- ◆ Develop and implement consistent policies concerning program operations, training and integrity.

Application Process

The sponsor must complete a Sponsor Application, Center Site Applications for each individual site, and Administrative Budget and a Management Plan, and then submit to KSDE in KN-CLAIM for approval. The sponsor must submit all required documents for the Sponsor and for each center.

The Management Plan and Administrative Budget must demonstrate the sponsor's financial viability and administrative capability to operate the program according to regulations. The Management Plan must describe systems to fulfill all required CACFP tasks, including record keeping, food service, claims submission, staff training, monitoring of the CACFP operations at the sponsored center sites and allocation of funds.

The Administrative Budget must include all projected income and costs of operating the CACFP by the sponsor and its sponsored center sites. Sponsors may use up to 15% of the meal reimbursements earned during the budget year for administrative costs, described below. The Administrative Budget must reflect the operation of a non-profit food service fund, in which the sponsor uses all CACFP funds for food services and administration of the CACFP.

Sponsor's in more than one state (multi-state sponsors) are also subject to this 15% administrative expenditures cap within each individual state and overall. Multi-State Sponsors must develop a comprehensive budget that identifies costs and reimbursements, by state and in total. These costs must represent the sum of direct and shared costs and reimbursements from each individual state program and the sponsors headquarter costs. The budget must identify the method used by the sponsor to allocate shared costs between state programs and identify the amount of CACFP reimbursement the sponsor would retain for headquarter costs.

- ◆ **Administrative costs include** planning, organizing, managing, preparing claims, determining income eligibility, updating enrollment information, monitoring and training.
- ◆ **Food Service costs include** costs of food, food service supplies, food preparation and the meal service.

Refer to Chapter 7 for more information, including examples of allowable costs and non-allowable costs.

Through the Management Plan, applicants must describe the Sponsor's processes for adhering to the following policies and requirements:

Monitoring Staffing: All applicants must employ adequate administrative staff to meet the requirements (described later in this section) for conducting CACFP monitoring of sponsored center sites through record review and center site reviews. **All sponsor's sponsoring 25 or more center sites** must employ the equivalent of one full-time staff person for each 25 to 150 center sites it sponsors.

For purposes of determining the monitor-to-site ratio, and to comply with this CACFP requirement, the following defines which staff duties will count as monitoring:

- ◆ All activities related to conducting CACFP on-site reviews, including planning and scheduling, pre-visit preparation, travel, supervisory oversight of monitors, and the monitoring function. Duties also include time spent in the site during the review, writing the site reviews, conducting follow-up to the site reviews to ensure compliance in all CACFP areas, and following up on any activities related to the serious deficiency process (evaluation of corrective action, appeal and termination).
- ◆ On-site training related to nutrition or CACFP Administration that occurs during a site review and initial or subsequent training of sponsor staff that relates to the monitoring function.
- ◆ Technical assistance related to the CACFP, if provided during the site review.
- ◆ Claims processing duties, including menu reviews to determine claim accuracy and meal eligibility.
- ◆ All time spent in the site by the monitor as part of the Center Site Review.

Outside Employment Policy:

Each sponsor must provide and keep on file a copy of an outside employment policy, which restricts other employment by employees that interferes with the employee's performance of program related duties. This includes any employment that constitutes a real or apparent conflict of interest. This policy does not restrict employees from holding other employment, but other employment must not interfere with CACFP duties.

Pre-Approval Site Visits:

Sponsor's must conduct and document pre-approval meal observation visits at all new sites prior to participation in the CACFP. The visit must include program benefits and verify staff members; capability of managing the proposed food service operations and record keeping systems. Sponsors must use the Center Site Review form provided by KSDE – Child Nutrition & Wellness or one approved by KSDE – Child Nutrition & Wellness.

Household Contacts Policy to Verify Attendance & Enrollment of Participants:

Each sponsor must establish a system and written policy, in which the sponsors verifies attendance and enrollment information by contacting adult members of households as part of site reviews when time-in/time-out records are unavailable, incomplete or invalid. The household contact process is not required for At-Risk Afterschool Meal sites or homeless or emergency shelters.

The policy must specify the following information:

- ◆ The method of contact (phone contacts or letters with open-ended questions about attendance and meals received)
- ◆ Staff members assigned to complete the household contacts and document findings
- ◆ Staff members responsible for determining further action or the need for further household contacts based on findings
- ◆ The timeline to complete household contact information; allow time for parents to respond
- ◆ Alternate plans to verify attendance records if contact cannot be made due to circumstances, such as a disconnected phone, returned mail correspondence, no answer, or relocation of family
- ◆ Method of documentation of all findings and contacts made or attempted

Certification that the sponsor has not been disqualified from a publicly funded program(s) &/or convicted of crimes:

At the time of application and recertification, sponsor's must:

- ◆ Certify that neither it, nor any site included in the application, or any sponsor principals' or any site principals, have been disqualified from participation in any other publicly funded program for violating that program's requirements.
- ◆ Certify that neither it, nor any site included in the application or any sponsor principals' nor any sites principals have been convicted of or concealed certain crimes indicating a lack of business integrity.

CACFP Performance Standards

The CACFP requires sponsors applying for CACFP participation as a sponsor to demonstrate in the Management Plan and Administrative Budget the ability to meet three CACFP performance standards, which include financial **V**iability, Administrative **C**apability and Program **A**ccountability. KSDE refers to these standards as **VCA**. CACFP regulations require KSDE to deny the initial or recertifying applications of Sponsor's that do not meet the CACFP performance standards. The performance standards are:

Performance Standard 1 – Financial Viability & Financial Management

Sponsor's applying for initial participation in the CACFP or recertification of participation must be financially viable. Sponsor's must spend and account for CACFP funds in accordance with CACFP regulations. To demonstrate financial viability, sponsors must provide documentation of the following

- ◆ **Demonstration of Need:** A sponsor must demonstrate that its participation will help ensure the delivery of program benefits to facilities or participants that would otherwise not be served.
- ◆ **Fiscal Resources & Financial History:** A sponsor must demonstrate that it has adequate financial resources to operate the CACFP on a daily basis, has adequate sources of funds to withstand temporary interruptions in program payments and/or fiscal claims against the sponsor (over-claims) and can document financial viability through audits, financial statements, etc., upon request.
- ◆ **Budgets:** A sponsor must document costs in the sponsor's budget that are necessary, reasonable and allowable.

Performance Standard 2 – Administrative Capability

Sponsor's applying for the CACFP participation must be administratively capable to operate the CACFP. They must have appropriate and effective management practices to ensure operation of the program in accordance with CACFP regulations. To demonstrative administrative capability, sponsors must provide documentation of the following:

- ◆ Employment of an adequate number and type of qualified staff to ensure the operation of the CACFP according to regulations;
- ◆ Employment of adequate staff sufficient to meet the ratio of monitors to sites according to regulations;
- ◆ Establishment of CACFP policies and procedures in writing that assign CACFP responsibilities and duties and ensure compliance with Civil Rights requirements.

Performance Standard 3 – Program Accountability

Sponsor's must have internal controls and other management systems in effect to ensure fiscal accountability and program operations in accordance with CACFP regulations. To demonstrate program accountability, sponsor's must:

- ◆ Provide documentation that the sponsorship has adequate oversight of the program by its governing board of directors, if non-profit.
- ◆ Provide a written description of the financial system with management controls, these systems must assure fiscal integrity and accountability for all CACFP funds received and expenses incurred, timely and accurate claims processing, proper use and safeguards of CACFP funds and expenses, and system of safeguards and controls to prevent and detect improper financial activities.
- ◆ Maintain appropriate records to document compliance with CACFP requirements, including budgets, accounting records, approved budget amendments, management plans, and sponsored site operation records.
- ◆ Document in the Management Plan, the provision of adequate and regular training of Sponsor and Sponsor's site staff, adequate monitoring of sponsored sites, and the establishment of a system to ensure that no more than 15% of CACFP reimbursement is used for administrative expenses.
- ◆ Follow program practices in accordance with CACFP regulations with regard to the meal service, record keeping and other operational requirements; application must reflect the CACFP operational practices of sponsored sites and demonstrate that they will:
 - Provide meals in compliance with the CACFP Meal Pattern requirements;
 - Comply with KDHE licensure and CACFP approval requirements;
 - Operate a food service compliant with applicable State and local health and sanitation requirements;
 - Comply with Civil Rights requirements
 - Maintain complete and appropriate records on file;
 - Claim reimbursement only for eligible meals.

In addition to the review of application materials for new sponsors, CACFP regulations require that KSDE to conduct a Pre-Approval visit and record review prior to the approval of the new sponsorship to participate in the CACFP.

Adding New Center Sites to the Sponsorship

KSDE must approve participation for new center sites before the sponsor may claim reimbursement for meals served at the sites. Sponsor's must complete the Center Site Application for each new site, provide required documents and complete a pre-approval visit as part of the application process. KSDE staff will review applications once they are complete. Sponsors will then receive notification of KSDE's decision to either approve or deny the application. KSDE will not provide reimbursement for meals served until the new site is approved. KSDE will not approve new sites to participate while the sponsor, responsible principle(s), responsible individual(s), or any of its sites are considered seriously deficient or on the National Disqualified List.

Right of Sites to Participate Directly with KSDE

Sponsor's that sponsor unaffiliated center sites (not part of the same legal entity as the Sponsor), must inform the center site of their right to participate in the CACFP directly with KSDE.

Training Requirements

The CACFP regulations require sponsors to provide initial training before program participation and annually thereafter. KSDE requires monitoring staff of the sponsor and key staff responsible for CACFP duties at sponsored center sites to participate in the training. "Key staff" are persons who oversee CACFP functions at the center (i.e., director, administrator), perform record keeping tasks or maintain paperwork (i.e., assistant director) perform food service and food service duties (i.e., cook, teacher serving food), or a person responsible for CACFP duties. See chapters 3, 5, and 6 for specific training requirements.

At a minimum, annual training must include the topics listed below. All training must be appropriate to the level of experience and duties of staff. New staff will require more extensive training, while experienced staff may only require a refresher on the topics. Likewise, some staff may not require trainings in all areas, depending upon their CACFP duties. Annual training topics include:

- ◆ **CACFP Meal Pattern Requirements:** Meal pattern components, quantity of food requirements, and food preparation
- ◆ **Meal Counts:** Methods for ensuring accuracy
- ◆ **Claims Submission & Review Procedures:** Method of submitting claim information to the sponsor and methods for the sponsor to verify claim accuracy
- ◆ **Record Keeping Requirements:** Record-keeping systems for all areas of the program
- ◆ **Reimbursement System:** Entire process from recording meal counts to receiving the reimbursement
- ◆ **Civil Rights:** All sponsors are required to provide Civil Rights training annually to all staff involved in any aspect of the CACFP

In addition to the minimum training requirements, KSDE also recommends training staff on topics such as nutrition, food safety and sanitation, as well as best practices in feeding infants, children and adults.

For monitoring staff of the sponsor, KSDE recommends providing training in the following areas:

- ◆ Activities related to conducting site reviews, including planning, scheduling and documenting reviews
- ◆ Corrective action and follow-up processes and requirements
- ◆ Household contact and 5-day reconciliation policies and procedures, if applicable to the sponsored center sites
- ◆ Technical assistance, as provided during a review
- ◆ Claims processing
- ◆ Menu reviews

The sponsor must maintain documentation of initial and annual CACFP training for monitoring staff and key staff at all center sites. In addition, the sponsor must also certify compliance with training requirements at the time of review and recertification for participation each year. Documentation of training must include the date of training, names of attendees, and a list of the topics covered during the training. Failure of the sponsor to train and document training of sponsored center site staff or failure of staff to participate in training, may result in a seriously deficient determination during a KSDE Administrative Review. Several options are available for the sponsor to meet training requirements, including the following:

- ◆ The sponsor may conduct its own trainings for staff; trainings may be held in group or individual sessions.
- ◆ Staff may register to attend a training workshop, free of cost, provided by KSDE staff – in person workshops or online classes

Distribution of CACFP Policies and Information to Staff - The Authorized Representative is responsible for distributing CACFP policy memos and information to CACFP staff members. The sponsor must have a process in place to disseminate information timely, adequately and appropriately.

Center Site Reviews

The CACFP regulations require sponsors to monitor CACFP operations at center sites throughout the year. Monitoring staff of the sponsor, who are trained in all areas of CACFP operation, must review operations at each center site three times each year (October – September). These are referred to as “Center Site Reviews”.

In addition, the sponsor must meet the following review requirements:

- At least two of the three reviews will be unannounced.
 - ◆ At least one unannounced review must include a meal observation.
 - ◆ At least one review must be made during each new facility’s first four weeks of Program operations.
 - ◆ For programs in operation for nine months or less, the first site review of each year must occur within the first four weeks of Program start-up; reviews must allow sufficient time before the end of the Program year to conduct follow-up reviews, if necessary
 - ◆ The first review requirement also applies to a facility that re-enters CACFP after a break in participation.
 - ◆ No more than 6 months will elapse between reviews (including between program years).
 - ◆ Unannounced reviews must occur during the site’s normal hours of operation
 - ◆ Unannounced site reviews are to be varied so the review is unpredictable to center
 - ◆ Unannounced reviews that follow a consistent pattern undermine the intent of the CACFP unannounced review requirement. Sites should not be able to anticipate when their “unannounced” review is due to occur. Therefore, sponsors must ensure that the timing of unannounced site reviews is varied in a way that would ensure they are unpredictable to the site.
 - ◆ All meal types (breakfast, lunch, supper, snacks, weekend, evening, holidays) must be reviewed.
 - ◆ Monitoring staff conducting reviews must show photo identification, which verifies their employment by the sponsor.

- ◆ Monitoring staff conducting reviews must be a responsible principal or individual from the sponsor, who has received CACFP training specific to the duties of the position and who is not a staff or volunteer at the monitored site
- ◆ Staff from the sponsor, KSDE, USDA, or other state and federal officials have the right to make announced and unannounced site visits/reviews during the center's normal hours of operation. Anyone making unannounced visits/reviews must have photo identification that demonstrates that he/she is an employee of one of these entities.

Pro-Rating Site Reviews

The requirements for sponsoring organization monitoring of sites are based on the assumption that most facilities participate in CACFP 12 months each year, and that they continue to participate on a full-year basis from one year to the next. KSDE has established the following criteria concerning the monitoring of sites that participate on a less than year-round basis.

If a site does not operate year-round, the number of reviews can be prorated based on the number of operating months (months in which a claim has been submitted) during the fiscal year. If a provider operates and claims one or more days in a given month, count that as an operating month. The number of reviews must be prorated as follows (unless the Sponsoring Organization has a different pro-rated site review plan approved by KSDE):

Months of Operation	Site Reviews
1-4	1
5-8	2
9-12	3

If a site began operating in August, the site must be reviewed once within four weeks during that fiscal year. During the next fiscal year beginning in October, site(s) must be reviewed based on months of operation and the table above. If a site consistently operates only 5-8 months of the year, each of the two reviews must be unannounced and at least one of the unannounced reviews must include observation of a meal service. If a site consistently operates less than 4 months or less of the year, the site review must be an unannounced meal visit.

Anticipated Closures:

Sponsors must make reasonable efforts to complete the required number of reviews for each site during each fiscal year. If a site's closure is anticipated in any way (for example, a construction project, a pregnancy, upcoming planned surgery, indications the site will be closing "soon", etc.), then the sponsor must complete the last review required for the fiscal year prior to the anticipated closure.

Unanticipated temporary closures:

When a site closes temporarily because of unforeseen reasons and the Sponsor is unable to complete the 3rd or last review of the site by the end of the fiscal year because of the temporary closure, it is critical that the Sponsor document the dates of attempted site reviews and the time line of when notification was received from the site regarding its closure and the events leading up to it. This documentation must be readily available during an administrative review.

Review Content Requirements for Sponsored Center Sites

Completing a Center Site Review Form (11-A) – During the center review, sponsor staff will check and document the following items: meal pattern, licensing status, CACFP training attendance, meal counts, daily attendance, menu/meal records, enrollment forms, meal count reconciliation, and food safety and sanitation. Review issues that require follow-up should be outlined on a Corrective Action Plan (Form 11-E).

- ◆ Monitoring staff will assess whether problems identified during previous reviews have been corrected.
- ◆ The staff member will examine daily attendance and meal count records. Menus will be evaluated to assess whether they meet CACFP meal patterns and nutritional needs of participants. Meals that are not supported by daily attendance records, meals claimed, or meal production records will be deducted from the claim.
- ◆ The review will include a 5-Day Reconciliation. The reconciliation form is part of the review form but may be completed in the office or on site. For 5 consecutive days, the enrollment, daily attendance and meal counts are compared. Any discrepancies must be explained and clear documentation given whether the meals are reimbursable or will be deducted. To Request to Use Automated System for 5-Day Reconciliation, contact KSDE.
- ◆ During a meal observation, the food components which were served, the quantities prepared, and the calculated servings will be listed on the form.
- ◆ The staff member conducting the center visit will observe pertinent aspects of the center relating to the meal service, including an evaluation of food safety and sanitation in the food storage, preparation and serving areas.
- ◆ The staff member conducting the center visit will assess the status of the following items: attendance at sponsor provided CACFP training, license status and enrollment forms.
- ◆ Monitoring staff must document areas of noncompliance identified during the review, the required corrective action to correct problems and a description of technical assistance provide to the site staff. Sponsoring organizations must conduct follow-up visits to evaluate whether problems identified during site visits are corrected. Sponsoring organization must maintain documentation of necessary follow-up visits and that are resolutions are permanently and continuously being implemented.

Corrective Action for Site Reviews

The Corrective Action Plan (11-E) is a tool used by the sponsor to assist the center in correcting issues that are not compliant with the CACFP.

The sponsor uses the form to clearly state what the problems are that were found out of compliance during the review. The requirements that must be met to come back into compliance would be recorded on the form. The center must respond to the corrective action by developing a plan to change their system. They will identify...

- ◆ What steps they will take to correct the error
- ◆ Who will be responsible for making sure the error is corrected, and who will double check the process
- ◆ Where will corrective action plan documents be kept
- ◆ How will staff be trained or informed of the new procedures.

The key to a corrective action plan is that the center must change their system that is currently out of compliance to a system that is in compliance. These changes must be completed on a continuous and permanent basis. Sponsors are responsible for ensuring continued compliance with CACFP for all sites.

The plan must be signed by the center and the sponsor.

If the center does not return a signed CAP, the CAP does not clearly state how the provider plans to correct the problem or the provider and sponsor cannot negotiate a plan to correct the problem; the provider must be declared seriously deficient.

Averaging Center Reviews

Sponsors have the option to average the number of reviews during a program year. In averaging reviews, some sites will receive two reviews, others sites will receive four reviews, and the remaining sites will receive three reviews. The total number of site reviews during the program year is three times the number of centers.

In review averaging, sponsors conduct a minimum of two reviews to each site. The two reviews must be unannounced, with one of the reviews conducted during a meal service. No more than nine months can elapse between site reviews for sites receiving two reviews per year. Sites that cannot receive less than three reviews per year are those that have participated on the CACFP less than 12 months or those sites that have had significant problems or discrepancies.

Steps to implement the review averaging option:

1. Obtain Board approval if the sponsor is governed by a Board of Directors.
2. Construct a profile to determine which sites need more or less than three (3) reviews. The profile should include criteria such as length of time on the CACFP, previous findings on site reviews, and the severity of problem(s) discovered. The criteria cannot include factors that misuse this provision such as targeting sites, which are the farthest away, for only two reviews per year. It is recommended that the Board of Directors approve the plan.
3. Evaluate each site based on the criteria. List the names of the sites that will have two or four reviews during the program year. Any site not listed or not otherwise indicated will have three reviews during the program year.
4. Establish a tracking method to ensure that each site has the proper number and types of reviews and that no more than nine months elapse between reviews for the sites with only two reviews and no more than six months elapse for the other sites.

The method should track the type of reviews to be conducted, the total number of reviews, total unannounced reviews, total unannounced meal reviews, and total meal reviews. It is recommended that the review plan be “frontloaded” with unannounced meal reviews during the first round of reviews.

5. Submit the following items to the KSDE – CACFP Consultant:
 - Criteria used to profile the sites
 - List of site names and number of planned reviews to each site
 - Specific months that each site will be reviewed.
6. Enter the applicable information after the site review has been conducted (month of review, type of review). Monitor the plan. Make adjustments to the plan as necessary. If a site stops participating and doesn't receive three reviews, additional reviews may need to occur to other sites to meet the total number of required reviews. If a substantial number of sites terminate during the year, contact your Consultant to discuss and agree upon a plan to meet the review requirement.
7. Submit each adjusted plan to the KSDE – CACFP Consultant. In most cases, at least one adjusted plan should be submitted during a program year.

The profile criteria and monitoring plan are due to the CACFP Consultant on or before the deadline to submit program recertification each year. Monitoring is the responsibility of the sponsor. The plan will be used by the consultants during Administrative Reviews.

If you opted for review averaging and decide mid-year to not average reviews, contact the CACFP consultant. Ensure each site receives three reviews and the correct type of reviews before the end of the program year (September 30).

Monthly Edit Checks

The sponsor must review each site's monthly claim to determine the validity of the claim. The edit checks must ensure the following:

- ◆ Menus are submitted for all days that meals are claimed
- ◆ All meals meet the CACFP meal pattern and requirements
- ◆ Daily attendance records are on file
- ◆ First and last names are listed on daily attendance and meal count rosters
- ◆ No more than 2 meals and 1 snack or 2 snacks and 1 meal are claimed per participant per day
- ◆ The number of meals is within license capacity guidelines
- ◆ Each participant has a current enrollment form on file and the form is no more than 12 months old
- ◆ Each participant is within the age restrictions/limitations
- ◆ Meal documentation shows that adequate quantities were prepared
- ◆ Center claims only the meal types approved in KN-CLAIM
- ◆ For each meal type, the number of meals claimed does not exceed the maximum number of meals possible for the month (number of days in operation multiplied by the total number of enrolled participants)
- ◆ If necessary, sponsors must use household contacts to verify the attendance and enrollment of participants and specific meal services in which participants participated in, if time-in/time-out records are unavailable, incomplete, or invalid during the review of the site. Sponsors may contact an adult member of the household by mail or phone in order to verify information regarding the dates/times the participants were in care. Sponsoring organizations must address and correct all discrepancies between claims and information received.

Administrative Responsibilities

Internal Controls

The sponsor must implement procedures that contribute to sound financial management practices. The controls must assure:

- ◆ Fiscal integrity and accountability for all funds are properly received, held and disbursed
- ◆ The integrity and accountability of all expenses incurred
- ◆ That claims are processed accurately and in a timely manner
- ◆ That funds and equipment are used only for authorized CACFP purposes
- ◆ That a system of safeguards and controls is in place to prevent and detect improper financial activities by employees

Disbursement to Centers

The sponsor is required to disburse reimbursement to each center within 5 business days after payment from KSDE. The full amount of reimbursement will be disbursed to each center on the basis of the number of meals, by type, served to participants.

Institution Transfers Among Unaffiliated Sponsors

An institution is allowed to transfer to a new sponsor once during a 12-month period. To maintain the institution's participation history, the institution and sponsor must follow the steps as outlined on the CACFP Provider Transfer Request.

To obtain the CACFP Institution Transfer Request form, the provider must call KSDE. After receiving the transfer form, the institution completes the applicable section and submits the original form (white) to the current sponsor and the yellow copy to KSDE. The current sponsor completes the applicable section of the transfer form and submits the original form to the new sponsor. The new sponsor completes the applicable section of the form and submits the original form to KSDE. However, if the institution is not in good standing (see below), the current sponsor denies the transfer and submits the original form to KSDE.

An institution must be in good standing with the current sponsor to be eligible to transfer. Good standing means current operation requirements are met – training is up to date, not Seriously Deficient and not owing a debt.

Serious Deficiency for Unaffiliated Centers

When the unaffiliated center fails to correct the problem(s) or does not comply with the Corrective Action Plan (CAP) and breaks the terms of the agreement, CACFP rules and/or regulations, it will be necessary for the center to be declared seriously deficient.

The serious deficiency process is designed to assure consistent and timely processes to address issues of serious non-compliance and gives the center the opportunity to correct the problem. If the problem is not corrected, the center will receive a Propose to Terminate letter. The center cannot appeal the declaration of the serious deficiency but

can appeal the proposed termination. Centers terminated for serious deficiency are placed on National Disqualified List and may not participate in CACFP for seven years. If the problem is corrected, the serious deficiency can be temporarily deferred.

Termination for convenience may not be used by a sponsor to avoid a serious deficient determination. Improper use of termination for convenience by the sponsor constitutes an attempt to circumvent the law's purpose in requiring the placement of centers terminated for cause on the National Disqualified List (NDL).

Refer to USDA's CACFP Serious Deficiency, Suspension & Appeals for State Agencies and Sponsoring Organizations Handbook for guidance and regulations on the serious deficiency process found at

http://www.fns.usda.gov/sites/default/files/CACFP_Serious_Deficiency_Handbook.pdf.

While there is not a specific section on unaffiliated centers, sponsors of unaffiliated centers should follow the procedures outlined for "Serious Deficiency Process for Institutions." Template letters are included in the handbook.

Imminent Threat to Health or Safety

When an institution's conduct poses an imminent threat to the health or safety of children or the public, the sponsor must suspend the institution's participation in CACFP. If the institution is cited by state or local health or licensing officials for an offense that constitutes serious health and safety violations, the sponsor must immediately declare the institution seriously deficient in addition to suspending its participation in CACFP. The sponsor must also notify the institution that it is proposing to terminate the institution's agreement and to disqualify the institution and the responsible principals.

Unaffiliated Center Appeal Procedures

When a sponsor proposes to terminate an unaffiliated center's Program agreement for cause, the unaffiliated center must be provided an opportunity for an appeal of the proposed termination. In Kansas, sponsors must offer the appeals through their organization. KSDE has developed an appeal procedure which can be found in KN-CLAIM, Corrective Action. For additional guidance, sponsors should utilize the USDA CACFP Serious Deficiency Handbook found http://www.fns.usda.gov/sites/default/files/CACFP_Serious_Deficiency_Handbook.pdf and Chapter 8 of the Administrative Handbook.

The sponsor must provide the written appeal procedures to all providers annually, and whenever the sponsor takes an action subject to appeal, or at any other time upon request.

CACFP Payment During Appeal Process

The sponsor **cannot** suspend the center's participation, including CACFP payments, during the appeal process (unless the deficiency is due to imminent threat to health and safety). This includes termination based on the submission of false or fraudulent claims.