# CACFP Administrative Handbook

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14. Participation of Family Day Care Home Sponsors

The Child and Adult Care Food Program (CACFP) provides federal reimbursement to Kansas child care facilities to provide nutritious meals and snacks for enrolled children in care. The CACFP operates under the regulations and policies set forth under Chapter 7 of the Code of Federal Regulations, Part 226 – Child and Adult Care Food Program (7CFR226.6). This handbook outlines the regulations and policies needed for the administration of the CACFP.

Sponsoring organizations (“sponsors”) and their sites, which are responsible for the care and feeding of children enrolled in participating day care homes, provide a service to their communities. The dedication and commitment of these sponsors and caregivers ensure that the meals claimed for reimbursement meet CACFP requirements and that mealtime is a pleasant, nutritious, and sociable experience for children.

Eligibility

A sponsor is a private nonprofit organization or public agency that is entirely responsible for the administration of the CACFP in one or more day care homes or any combination of centers or day care homes. Public sponsors, such as a county social services agency, are automatically eligible to participate. Private nonprofit sponsors must have tax-exempt status under the Internal Revenue Code of 1986.

Each sponsor enters into an agreement via a signed Program Agreement with the KSDE to assume final administrative and financial responsibility for Program operations. The Program Agreement is a legally binding contract between the KSDE and the sponsor, and it must be on file with KSDE and the sponsor.

Renewal Responsibilities

The CACFP year begins on October 1 and concludes on September 30. Each sponsor must submit to KSDE all information required for its renewal and the approval of all sites under its jurisdiction, including but not limited to:

- Sponsor Application
- Administrative Budget
- Management Plan
- Certification Statement
- Lobbying Certification Statement
- Financial Statement
- Provider Applications
- Provider Certification List
- Purchasing Plan
- Sponsor Code of Conduct
The Sponsor Application records contact information about the agency and the board of directors.

An Administrative Budget is developed by a sponsor to reflect projected expenditures during a CACFP year. The budget (and subsequent revisions) must include complete documentation for each approval. Guidance for CACFP expenditures is located in FNS 796-2, Rev. 3; Guidance for Homes CACFP Administrative Budget (budget instructions); and other chapters in this handbook. Guidance includes allowable and unallowable costs, cost allocation, and items that require specific prior written approval (SPWA) and prior written approval (PWA).

A Management Plan includes detailed information on the administrative structure and board of directors, the staff assigned to program management and monitoring, and procedures which will be used by the sponsor to administer the CACFP and disburse payments to the sites under its jurisdiction.

The Certification Statement certifies that the responsible parties will meet the CACFP requirements for renewing sponsors.

The Lobbying Certification Form must be completed by any agency that receives $100,000 or more in federal funds.

The Financial Statement is a year-to-date report that shows both income and expenditures of the organization. The report or ledger shows how the organization is accounting for income and expenditures to manage a successful business.

Each year, the sponsor must approve each Provider Application in the KSDE computer system.

A current and correct Provider Certification List must be certified by the Authorized Representative and submitted to KSDE each year before the October claim can be paid.

Program Requirements

Sponsors must agree:

- To provide initial and annual training and appropriate technical assistance to all sites.
- To provide civil rights training to all sites and staff no less than annually.
- To provide adequate supervisory and operational personnel for managing and monitoring the CACFP.
- To provide adequate training for new personnel.
- To provide training so personnel successfully complete CACFP responsibilities. Training may be no less than annually.
- To conduct reviews and visits to sites (“site visits” or “home visits”).
- To ensure that meals served meet the CACFP meal pattern requirements.
- To establish procedures to collect and maintain all necessary program records from all the sites they sponsor.
- To correctly classify each day care home with the proper tier status.
- To maintain a current copy of the license for each site which they serve.
- To prepare and submit monthly reimbursement claims.
Additionally, the sponsor will:

- Provide CACFP record keeping forms to the sites.
- Distribute reimbursement to the sites for meals served to enrolled children within 5 business days after the sponsor has received payment from the KSDE.
- Charge no fee to the providers for CACFP services.
- Distribute reimbursement, to the extent that funds are available, for no more than two meals and one snack per day or two snacks and one meal per day. Reimbursement will not be paid for meals/snacks served to ineligible children, for meals/snacks served to children outside of license capacity, for meals/snacks not served, for meals/snacks served which are not in compliance with license regulations or for meals/snacks not adequately documented. Only one meal/snack per child may be claimed at each meal service. When meals/snacks are claimed for shifts of children, the arrival and departure times of each child in care on those days must be documented.
- Assure that all meals claimed for reimbursement are served to enrolled children without regard to race, color, national origin, sex, age, or disability and that all meals claimed meet meal requirements in the CACFP regulations.
- Determine Tier 1 or Tier 2 status of each home based on area eligibility or provider income information.
- Verify income of providers applying for Tier 1 status based on provider’s household income.
- Provide each Tier 2 home with additional options to receive the higher Tier 1 rate (Tier 2 High or Tier 2 Mixed).
- Notify Tier 2 Mixed providers of the reimbursement method (actual, claiming percentages, etc.) used by the sponsor.
- Mail Family Income Eligibility Forms (IEF) to enrolled households if requested on the Tier Notification Form. Ensure that all Family IEFs completed by the parent(s) of enrolled participants are submitted to the sponsor and that information contained in the IEF remains confidential.
- Assure that staff and representatives of the sponsoring agency do not discriminate against the participants and children on the basis of race, color, national origin, sex, age or disability.
- Have the capability to submit, update, and maintain information in the KN-CLAIM computer system.
- Submit site information and ensure that the site is active in the KN-CLAIM computer system prior to submitting a claim for reimbursement.
- Ensure all participants are not on the national disqualified list.
- Comply with all procedures outlined in the sponsor’s approved Management Plan(s) on file with KSDE.
- Use only allowable practices in recruiting sites.
- Conduct surveys by contacting the parents of enrolled children to verify attendance.
- Ensure that information regarding income, social security numbers, and/or dates of birth is confidential and securely held. Sponsor will follow the policy of the Board of Directors in releasing or not releasing other types of information.
Record Keeping Requirements

The program year is October 1 through September 30. Records should be maintained on the most current forms supplied by the Kansas State Department of Education (KSDE). If sponsor’s elect to not use KSDE supplied forms, sponsors must send to KSDE for approval before use.

An organized filing system that permits rapid access to required records should be established. **Records are the property of the sponsoring agency and should be kept on the premises for the current program year.** All records must be accessible to CACFP personnel.

**All records must be kept for three CACFP years plus the current year.** Previous years’ records may be stored off-site. If any audit or review findings are not resolved by the end of the four-year period, the records must be kept as long as required to resolve all questions raised by the audit or review. All records must be readily available, upon request, to auditors and representatives of KSDE or U.S. Department of Agriculture.

Any issues that compromise the integrity and confidentiality of records should be reported to KSDE immediately. When record disposal is appropriate, shredding is recommended due to the confidentiality of participant data.

Program Documents

At a minimum, the following forms are completed and on file:

- Administrative Budget
- Management Plan
- Program Agreement
- Sponsor Application
- Certification Statement
- Lobbying Certification Form
- Copy(ies) of financial audits and financial statements
- Provider Certification List
- Certification Regarding Debarment, Suspension, Ineligibility and Voluntary and Exclusion Statement, if applicable
- Documentation of staff and provider training and other documents requested by KSDE
- Documentation of staff monitoring hours
Provider Documentation
Sponsors must maintain the following items for each provider. The organization of the items must allow rapid access to the information.

- Provider Program Agreement
- Copy of license issued by Kansas Department of Health and Environment (KDHE) or federal authority (military, tribal)
- Child Enrollment Forms
- Infant Offer Forms
- Tier Notification Form and supporting documentation (Chapter 18 Tiering Guidance for Homes)
- Home visit forms
- Verification of training completion (i.e., training certificates or sign-in sheets)
- Verification of annual civil rights training
- Copy of meal contract and transport sheets, as applicable
- Agreement for electronic submission of claims, as applicable
- Direct deposit information, as applicable

Participation Documentation
Records must document all information submitted for reimbursement on the claim.

- Daily attendance, meal counts and menu forms for each participating provider during the claim period.
- Disbursements of provider reimbursement checks with date, provider name, and amount.
- List of administrative expenditures for the claim period.
- Ledger and supporting documentation for CACFP expenditures and CACFP income as detailed in the FNS 796-2 Rev 3 (Chapter 7, Financial Management and Chapter 13, Administrative Funds.)

Reimbursement claims and monthly reimbursement reports must be maintained on file. All Program records, including reimbursement claims and provider claims, must be maintained by calendar month. For example, provider’s January claim must be for the time of January 1-31.

Sponsors must maintain information on the KN-CLAIM computer system regularly. Written documentation such as a revised Tier Notification Form or new copy of KDHE license must support the information contained on the computer system.
Staffing

Each sponsor must provide supervisory and operational personnel for effective management and monitoring of the CACFP at all sites under its jurisdiction. Staff responsibilities include, but are not limited to:

- Conduct pre-approval visits and reviews for each site (site visits)
- Provide technical assistance and training sessions for the sites
- Process individual monthly claims
- Maintain site documentation including the agreement, current license, enrollment forms, infant offer forms, daily attendance, meal counts, menus and tiering documents
- Keep information on the KSDE computer system current update
- Submit monthly site and sponsor reimbursement claims
- Prepare and distributing reimbursement checks

Staff Training and Assistance

All staff with CACFP responsibilities must be trained prior to independently completing CACFP responsibilities and annually thereafter. The sponsor must ensure that staff are adequately qualified and trained to complete CACFP responsibilities. In addition to CACFP training, each sponsor must train staff annually on civil rights. KSDE classes are highly recommended, but do not substitute for the sponsor’s responsibility to conduct and provide staff training on CACFP.

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 organization must have a process in place to disseminate information timely, adequately and appropriately. This process is specified in the sponsor’s Management Plan.

Training New Staff

The sponsor must provide training on the CACFP prior to new staff independently completing CACFP responsibilities (home visitors, claim processors, etc.).

Training Current Staff

The sponsor must provide annual CACFP training to each staff member who completes CACFP responsibilities. The training should include nutrition, food, CACFP requirements and/or a topic directly related to CACFP including civil rights.

Documentation of Staff Training

The sponsor must document the CACFP training provided to staff. The documentation may be minutes of training provided during staff meetings, sign-in sheets at training sessions, and/or other similar documentation methods. Annually, each sponsor must submit to KSDE a list of CACFP training provided to staff members who have CACFP responsibilities.
Monitor Staffing Standards

Regulations require all sponsors to “devote adequate supervisory and operational personnel for management and monitoring of the Program”. Sponsors that have 50 or more sites are required to employ staff sufficient to ensure that, for each 50-150 sites sponsored, at least one full-time equivalent staff year is devoted to monitoring. Sponsors must meet or exceed the staffing standards as a condition of sponsor eligibility, by documenting compliance to meet Performance Standard #2, “Administrative Capability” from the regulations (7CFR226.6).

Monitor-Related Duties

Monitoring-related activities include both supervisory and non-supervisory activities related to:

- **Monitoring**
  - Planning and scheduling, pre-review preparation, travel, supervisory oversight of monitors and the monitoring function, time spent in the home during review, writing review reports, conducting follow-up reviews, activities related to the serious deficiency process
- **Parental Contacts**
- **On-Site/Other Training**
  - All on-site training that occurs during a facility review, initial or subsequent training of sponsor staff that relates to the monitoring function
- **Technical Assistance provided during review**
- **Claims Processing**
  - Menu reviews to determine claim accuracy and meal eligibility

Non-Monitoring Related Duties

Non-monitoring staffing standards include, but are not limited to:

- **Facility Eligibility**
- **Program Outreach**
- **Initial and Annual Training**
- **Technical Assistance (if provided over telephone)**
- **Enrollment Paperwork**
- **Claims Processing**
  - Aggregation of facility meal counts for claims submission; edit checks

Documenting Monitor Staffing Standards

The sponsor’s Management Plan must clearly describe the monitoring-related duties of each staff member. This includes the number of hours and percentage of time the sponsor estimates that each staff member will spend on monitoring duties.

- **Reporting Monitoring Hours** - Each CACFP employee must report the hours worked by time and task.
- **Full-Time Equivalent (FTE)** - A full-time equivalent staff year, or FTE, is the amount of work that one person, working full-time (40 hours per week, or 2,080 hours annually) would perform in a year.
Kansas Staffing Factors

USDA regulations require each state to develop standards for staffing, which may or may not affect the number of hours devoted to monitoring. KSDE has identified the following potential staffing factors in Kansas for FDCH sponsors with 50 or more sites.

- **Geographic Location of Homes** - All affected sponsors have homes in multiple counties. The location of monitors in a central office or at field locations will impact staff time. Currently in Kansas geographic location of homes will not impact the maximum ratio of monitoring hours.
- **Literacy Level and Language Spoken by Home Providers** - While language diversity is present in Kansas, literacy or language barriers have not required sponsors to adjust the maximum ratio of monitoring hours.
- **Previous CACFP Review Results** - If a previous review determines the sponsor has not completed the required 3 monitoring visits per Program year within the timeframes for 10% or more of providers in the review sample, the sponsor staffing ratio must be 1 FTE to 60-100 homes sponsored.
- **Experience Level of Providers and Monitors** - Traditionally, Kansas sponsors have experienced relatively low turnover in monitor positions. Experience level of providers and monitors will not cause sponsors to use less than the maximum ratio of monitoring hours.

Employing Home Providers

Although federal regulations do not forbid sponsors from employing a provider, this practice presents a conflict of interest for the employee(s) in question.

Options available to a sponsor with a provider employee are:

- Terminate the employment of the provider as an employee;
- Terminate the provider as a CACFP participant while continuing as an employee;
- or
- Continue the employment of the provider as an employee and transfer the CACFP participation of the provider to another sponsor.

Recruitment

USDA prohibits State Agencies from establishing territories for Sponsoring Organizations based on geography alone. KSDE must ensure that sponsoring organizations, as a group, have not created exclusive geographic territories themselves. Limiting an eligible day care home sponsor to a specific geographic area has the effect of denying program participation. Sponsors will indicate within KN-CLAIM the counties in which it serves Family Day Care Homes. The Kansas State Department of Education (KSDE) monitors the Sponsor’s resources and ability to properly manage the Child & Adult Care Food Program. Sponsors must contact KSDE for SPWA for any recruitment activity expenditures using CACFP funds.
Recruitment of Participating Providers is Prohibited
Sponsors shall not actively recruit day care home providers who are participating in the CACFP. Active recruitment is defined as direct contact initiated by a Sponsor with a DCH provider who is currently participating in the CACFP, for the purpose of enticing the provider to switch to a different Sponsor. Direct mailings, in-person contacts, phone calls, faxing or emailing are considered direct contact. Sponsors are also prohibited from soliciting the influence of third parties (other providers, friends, relatives, etc.) for the purpose of persuading a provider to transfer to another sponsor. It is also unallowable to provide misleading information to a provider about CACFP regulations, policies or enforcement of these rules, or to offer cash, gifts, bonuses or other incentives to providers for changing Sponsors. A participating provider is defined as one with a current signed agreement with a sponsor. A listing of providers participating in CACFP can be accessed in KN-CLAIM, Sponsor Reports, Provider by County.

Suspected recruiting violations must be reported to KSDE in writing for investigation.

Allowable Contact:
- Public advertisements are not considered direct contacts or active recruitment; however, SPWA is required for advertising and public relations costs using CACFP funds.
- Trainings, events, or activities sponsored by a sponsor are not considered direct active recruitment unless the specific intention of the event is CACFP focused. For example, a sponsor speaks at a meeting or conference where there are child care providers in attendance. During this time the Sponsor provides an overview of its core services and mentions the CACFP as part of the core business. It is acceptable to describe their job title, job duties, and the role of their agency to justify their knowledge and expertise. This would be considered acceptable. NOTE: It becomes active recruitment when the details of the CACFP are specific to the Sponsor’s organization and enrollment or recruitment forms and documents are used or distributed, and persuasion is used. Additionally, it is active recruitment when the Sponsor’s contact information is excessive, for example on every document and promotional materials used.
- It is acceptable for a Sponsor to use websites or social media as a means to describe the services that the organization provides, including the CACFP. A link to the State agency’s website for the CACFP can also be used: www.kn-eat.org

Recruitment of New Providers
New providers are defined as those not currently participating in CACFP. Sponsors may actively recruit new providers. Sponsors must contact KSDE for SPWA for any recruitment activity expenditures using CACFP funds.
- Any communications initiated by a Sponsor may not mislead potential new providers about CACFP requirements and benefits.
- The Sponsor must inform each new provider that it is the provider’s responsibility to sign an agreement with only one Sponsor.
- The Sponsor’s agreement with a provider becomes effective only when the provider is properly licensed and approved.
- It is unallowable to communicate misleading information to a provider about CACFP regulations, policies or enforcement of these rules, or to offer cash, gifts, bonuses or other incentives to providers for signing up with a specific Sponsor.
Provider Transfer Requests

Providers who wish to change sponsors must request a transfer through KSDE and may not transfer more than once in 12 months. Refer to Chapter 17 for transfer information.

Examples of recruitment activities for new providers include:

- Promoting and publicizing the CACFP through printed materials, public service announcements, posters, websites, etc.
- Distributing CACFP or child care resource materials through booths or exhibits at conferences, child care fairs, open houses, shopping malls, county fairs, and other places accessible by the public
- Presenting workshops or training activities at conferences directed toward child care professionals
- Conducting general informational workshops or meetings about the CACFP that are not designed or intended as a means to sign up new sites

Minimum Home Participation

Sponsors must have a minimum of 10 homes participating in the CACFP on a monthly basis. A participating home is defined as a home submitting a monthly claim for reimbursement. A home with a valid provider agreement which does not submit a claim is not participating.

During the program year, if provider participation drops below 10 homes in any given month, monthly participation may be averaged over a six consecutive month period. The six month period begins the first month the participation falls below 10 homes.

During the renewal process, if a sponsor has less than 10 participating homes in September, the sponsor may be renewed for CACFP participation on a conditional basis. The conditional basis is for six months (October-March). If the sponsor has not averaged the required 10 homes per month participation level, KSDE will move to terminate the Program Agreement.

Sponsors may appeal the intent to terminate by sending written documentation to KSDE. The appeal must list efforts made to obtain new homes and request continued participation. At its discretion, KSDE may approve the sponsor for an additional 6 months. At the end of the second 6-month period, the sponsor must have maintained an average participation of 10 homes per month for 12 months or CACFP participation will be terminated.

Corrective Actions of Sponsors

When non-compliance is discovered, primarily during CACFP reviews or audits, the sponsor must implement actions to immediately and permanently correct the problems. If staff from KSDE has identified a problem on a review, the sponsor must initiate a Corrective Action Plan (CAP). The CAP identifies the problem and details the actions the sponsor will take to correct the problem. The CAP is permanent and continuous upon KSDE approval. If a sponsor needs to change any part of the CAP, the sponsor must send a written request to KSDE. KSDE will approve or deny the request. The requested change is not effective until approved by KSDE.
Seriously Deficient Sponsors

Sponsors are required to follow the terms of the Program Agreement and approved Corrective Action Plan. When the sponsor is unable to correct the problem(s), generally discovered during a CACFP review, the sponsor will be declared seriously deficient.

Preliminary findings will be discussed during the review, with written notification at a later date.

The seriously deficient process gives the sponsor the opportunity to correct the problem and if the problem is not corrected, the sponsor will receive an intent to terminate letter. The sponsor cannot appeal the declaration of the seriously deficient status but can appeal the proposed termination.

Regulations allow KSDE to declare a sponsor seriously deficient and/or issue immediate suspension. Refer to Chapter 8, Reviews, Audits, Deficiencies & Appeals.

Appeal Process

The items which can be appealed as well as the appeal process for sponsors are contained in Chapter 8, Reviews, Audits, Deficiencies & Appeals. An additional appealable action applicable to sponsors of homes is the denial of advance administrative funds. Failure to follow the appeal process will result in the sponsor’s loss of appeal rights.