As a result of questions that arose at the Biennial Consultants' Meeting in Salt Lake City regarding the allowability of legal expenses, we are reissuing CCFP-98, Allowability of Legal Expenses, copy attached.

A question that was posed which was not addressed in the original memorandum was whether "food dollars" can be used to pay legal expenses. Reimbursement received by institutions, other than sponsoring organizations (SOs) of family day care homes (FDCHs), must be used to pay allowable program costs, operational and administrative. The reimbursement is not restricted to food costs. Therefore, if an institution had allowable legal expenses, reimbursement could be used to pay those costs. Since allowable legal expenses are an administrative cost, FDCH SOs could use their administrative reimbursement to pay those costs. The allowable legal expenses described in CCFP-98 are applicable to the use of both administrative and meal reimbursement funds.

If you have any additional questions on this matter, please contact my staff at (303) 844-0359.

Ann C. Hector
ANN C. HECTOR
Regional Director
Special Nutrition Programs

Attachment