Reply to
Attn. of: CACFP-230

Subject: Child and Adult Care Food Program (CACFP) Policy Memoranda

To: STATE AGENCY DIRECTORS (Special Nutrition Programs) - Colorado DH, Iowa, Kansas, Missouri DH, Montana DHES, Nebraska ED, North Dakota, South Dakota, Utah and Wyoming ED

The attached list contains policy questions and answers that have been raised subsequent to our December 18, 1990 memorandum, CACFP-221. If you have any questions regarding this material, please contact my staff at (303) 844-0359.

[Signature]
ANN C. HECTOR
Regional Director
Special Nutrition Programs
Attachment
CHILD AND ADULT CARE FOOD PROGRAM (CACFP) QUESTIONS AND ANSWERS

1. Q. Is an advertisement which lists all of the approved Sponsoring Organizations (SOs) within a State considered an allowable cost for the State Agency (SA)?

   A. Advertising in the CACFP is an allowable cost and is in accordance with the Program's outreach requirement. The advertisement would need to include the complete Civil Rights statement.

2. Q. May an SO loan a prospective family day care home (FDCH) provider funds for a fire alarm and/or a health inspection? If this is acceptable, may they recoup the money from the providers' reimbursement checks?

   A. Health inspections and fire alarms for prospective providers are not allowable SO costs. In addition, recouping a loan from providers' checks is not in accordance with Part 226.18(b)(7).

3. Q. Is there a Program Regulation or policy on the number of times an SO should be given a warning before they are removed as a CACFP sponsor?

   A. Currently, there is no Food and Nutrition Service policy that covers this situation. It would appear that the number of warnings an SO is given is dependent upon the severity of the offense. It is advisable for the SA to develop a written policy stating the specifics of when an SO would be relieved of their sponsoring obligations and the consequences of that decision. In addition, the policy should be sent to all SOs with a request to return a signed copy to the SA.

4. Q. Is there a required ratio of field advisors per FDCHs?

   A. The number of FDCHs per field advisor would depend on the area that the SO is serving. If the homes are in a rural area that would require a greater travel time than in an urban area, more field advisors may be required. Therefore, the ratio would need to be determined on a case by case basis.

5. Q. A FDCH provider owes funds to the Internal Revenue Service (IRS). IRS has requested the SO to pay the provider's CACFP reimbursement directly to them. Should the SO abide by the IRS request?

   A. We have previously raised this question on the allowability of IRS to request that an SO forward a provider's reimbursement directly to IRS. The Department has advised that the SO should cooperate and forward the check directly to IRS for the amount of reimbursement earned by the provider. The provider should be advised of the action being taken.
6. Q. Can an SA require a sponsor to attend an orientation meeting?
   A. Yes, an SA may require sponsors to attend these meetings.

7. Q. With regard to audits, in determining the total amount of Federal Financial assistance that an institution receives in a Fiscal Year, how are Federal funds counted that are commingled with State funds?
   A. If the funds cannot be clearly defined as Federal money, they need not be counted towards the audit requirement.

8. Q. Can an SO use CACFP funds to conduct tax workshops for FDCH providers or centers?
   A. Tax workshops are not an allowable CACFP cost. OMB Circular A-122, Attachment A, lists factors affecting allowability of costs. General criteria A. 2.a., states that the cost must be reasonable for the performance of the Program. Since the CACFP performance is not based on tax requirements, a tax workshop is not a reasonable cost to the Program. The responsibility for maintaining current knowledge of tax information rests not with the SO, but rather with the provider.

9. Q. A FDCH provider was dropped for cause by an SO. The provider wants to sign on with another sponsor; however, no other sponsor wants to have her on the Program. Does an SO have to sign on the provider? Does the provider have appeal rights?
   A. No, an SO does not have to sign on the provider. The provider also does not have a legal recourse. Legally, the agreement and appeal procedures are between the SA and the SO. Normally, the SA would probably want to find an SO to take the provider. However, if the provider was dropped for cause, it is possible the facility should not be on the Program.

10. Q. Are the infant formulas "Good Start" and "Carnation Follow-up" creditable?
    A. "Good Start" and "Carnation Follow-up" infant formulas are creditable. However, "Carnation Follow-up" is a formula for older toddlers 6-12 months of age.

11. Q. Can dry powdered infant formula be used instead of ready-to-feed formula?
    A. Yes, either formula may be used as long as they are in conformance with the definition in Part 226.2 for infant formula.
12. What is the yield for Kiwi fruit?
   A. The yield for Kiwi fruit is:
      
      1 Kiwi = 1/2 cup
      1/2 Kiwi = 1/4 cup

13. Q. What is the portion size for drummettes?
   A. Five drummettes equal 2 ounces of cooked lean meat. However, this applies to commodity chicken. All commercial drummettes must have a Child Nutrition Label or a product specification sheet to determine the yield.