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

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

Attached is a summary of questions and answers that have been raised since our last CACFP question and answer memorandum, CACFP-275, dated January 23, 1992. We will continue to compile additional information and submit it to the State Agencies as the need arises.

Ann C. Hector
Regional Director
Special Nutrition Programs

Attachment
CHILD AND ADULT CARE FOOD PROGRAM (CACFP) QUESTIONS AND ANSWERS

April 1992

1. Q. A Sponsoring Organization (SO) of Family Day Care Homes (FDCH) is leasing a vehicle. The lease requires that insurance be maintained. If there is an accident and the SO has to pay the deductible, would the deductible be an allowable administrative cost?

A. Yes, the deductible would be an allowable cost.

2. Q. If a car is donated to an SO, is the cost of tags and insurance an allowable cost?

A. Yes, the cost of the license tags and insurance would be allowable.

3. Q. A FDCH provider requested the SO to withhold from their reimbursement an amount to be placed in escrow for taxes. Is this acceptable?

A. No, an SO may not withhold from the provider's reimbursement an amount for taxes. Part 226.18(b)(7) only allows, with the provider's consent, an amount to be withheld for food stuffs or meals in which the costs have been incurred by the SO on behalf of the FDCH.

4. Q. Does the overclaim exception for State Agency audits apply to administrative reviews?

A. No, the exception in Part 226.8(e) is only applicable to audits.

5. Q. If a field reviewer of an SO is in travel status, would their meals be an allowable cost?

A. Yes, according to Circular A-122, Attachment B, a field reviewer's meals while in travel status would be an allowable cost.

6. Q. When military personnel receive separate payments to purchase their own meals instead of receiving in-kind benefits, would the payments be considered income?

A. Yes, page 33 of the Eligibility Guidance for School Meals states "military benefits received in cash, such as housing allowances for military households living off base and food or clothing allowances, must be considered as income."
7. Q. Can an Adult Day Care (ADC) Center claim meals if an ADC participant spends more than 24 hours in care?

A. No, per Policy Memorandum CCFP-142, no meals are reimbursable after the participant temporarily enters into a residential situation; i.e., more than 24 hours.

8. Q. Can a center claim reimbursement for serving three meals (breakfast, lunch and supper) to children in care eight or more hours rather than two meals and two supplements or three meals and one supplement per day per child as stipulated in Part 226.17(b)(3) of the Regulations?

A. Yes, the center can claim three meals provided there is sufficient documentation available for the children in care eight or more hours.

9. Q. A FDCH provider is caring for a school age child that has lupus. The child has a doctor’s statement that it cannot go to school for one year. In this situation, can the provider claim reimbursement for this child’s meals?

A. We see no reason why this child’s meals cannot be claimed as long as the child is in the provider’s care, within age limits, license capacity, etc.

10. Q. Can a FDCH provider claim reimbursement for a meal if the mother provides WIC formula to the facility because she has more formula than she can use?

A. It would depend on the age of the infant being served and whether other required components are being provided by the FDCH provider. If formula is the only component served, it could not be claimed for reimbursement.

11. Q. Is there a specific time when breakfast is to be served?

A. This Region’s policy is that in order for the meal to be claimed as breakfast, it should be served at a time traditionally considered as the normal serving time for such a meal. We consider this to be an a.m. meal ending before 10:00 a.m.

12. Q. Do procurement procedures have to be followed if an SO does group purchasing for its FDCHs?

A. Yes, procurement standards would need to be followed since the source of payment for the purchases is Federal money.