Reply to
Attn. of: CACFP-322

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-314, dated October 6, 1992. We will continue to compile additional information and submit it to the State Agencies as the need arises.

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Attachment
CHILD AND ADULT CARE FOOD PROGRAM (CACFP) QUESTIONS AND ANSWERS
December, 1992

1. Q. Can Family Day Care Home (FDCH) providers who are licensed to operate in locations other than their homes be eligible to participate in the CACFP?
   A. Yes, if this is allowed by State licensing.

2. Q. Can a day care center be both pricing and nonpricing on the CACFP?
   A. No, the Regulations [Part 226.23(a)] does not allow this. The policy statement must be either pricing or nonpricing. However, the institution could choose to be nonpricing and count all children as paid without collecting Income Eligibility Forms (IEFs). If they choose to be pricing, IEFs must be collected to determine eligibility for paid, reduced price, and free categories.

3. Q. A child care center operating in a basement of a church has been approved to participate in the CACFP. The church operates a Rule 13 school (home school or church affiliated) which has not been recognized as an accredited school by the State. The school had previously applied for the National School Lunch Program (NSLP) and was denied participation because of the nonaccreditation. The center wants to serve lunches to the children in attendance at the school and claim on the CACFP, can they do this?
   A. No, the children are in attendance at the school and not formally enrolled and in attendance at the center. Since the parents made the choice to send their children to an unrecognized school, the children would have the NSLP available if they went to an accredited school.

4. Q. Can a Home Day School Participate in the CACFP?
   A. No, a Home Day School, whether or not it is recognized by the State educational agency, cannot participate in the CACFP. Children must be enrolled and receiving care, not an academic education, for their meals to be claimed on the CACFP.

5. Q. Military personnel receive an allowance for rations in their paycheck which is not taxed. Should this allowance be considered as income?
   A. Yes, since it is received in cash. However, benefits such as base housing which are not received in cash would not be considered as income.

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6. Q. Can homemade eggnog with cooked eggs be served in the CACFP?

A. From a safety standpoint, the Food and Drug Administration recommends that the eggs should be cooked until the white is firm and the yolk begins to harden. Egg yolks and beaten whole eggs begin to coagulate at about 150 degrees Fahrenheit and continue to thicken until the temperature reaches 160 degrees Fahrenheit, which is about the temperature of pasteurization (162 degrees Fahrenheit). Pasteurization is the process by which pathogenic microorganisms are destroyed. Because of the need to assure the correct cooking of the eggs, and the possibility that serious illness could result if the process is not adhered to, we do not recommend that homemade eggnog be allowed in the CACFP.

7. Q. In determining eligibility of a Title XX center can a fraction over 24 percent be rounded upward to establish 25 percent; i.e., 24.6 percent rounded to 25 percent.

A. No, it must be 25.0 percent or more.

8. Q. Is Stove Top stuffing creditable?

A. The CACFP Crediting Guide, page 37, states only homemade stuffing is creditable. Stuffing can be credited to the amount of bread per serving used in preparation. Since Stove Top and other such products contain additional ingredients in unknown amounts, the quantity of bread cannot be determined in them. Reference a similar question in CACFP-180, Question No. 3.

9. Q. An SO has its offices in a building privately owned by the Board of Directors of the SO. The SO also conducts nonprogram services out of the same offices. Can rent charged by the Board of Directors be considered an allowable cost?

A. Yes; however, rental costs under less-than-arms-length transactions are allowable only up to the amount that would be allowed had title to the property been vested in the organization. This limits the allowable cost to either depreciation or use allowance. The amount of depreciation/use allowance charged must be prorated to reflect only the CACFP share versus the total use of the building. Additionally, since there is more to maintaining an organization than just operating the CACFP, a further allocation of the amount assigned to the sponsor may be necessary in order to allocate the sponsor's share to CACFP and non-CACFP functions.
10. Q. How can interest earned by a SO be used?
   A. As with other CACFP funds and administrative reimbursement received, it must be used for CACFP expenses.

11. Q. Can a provider use her WIC formula to feed her child who receives formula only and claim the meal for reimbursement?
   A. No. The provider must purchase the formula in order to claim the meal. Reference a similar question in CACFP-293, Question No. 10.

12. Q. Can a provider deduct the cost of formula provided by the parent from the parent’s cost of day care?
   A. It has been the policy of the agency not to get involved with what providers charge parents. Parents can be charged different amounts by providers. This would not be considered a pricing situation.