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-322, dated December 31, 1992. We will continue to compile additional information and submit it to you as the need arises.

ANN C. HECTOR
Regional Director
Special Nutrition Programs

Attachment
1. Q. A sponsoring organization (SO) of centers receives an operational advance but does not pass it on to the centers. A food service management company (FSMC) provides the meals for the centers and is paid by the SO upon receipt of the invoice. Is this an acceptable use of the advance?

A. Part 226.16(h) states SOs must make Program payments to centers within five working days of receipt from the State Agency (SA). This can be interpreted to apply to advances also. Therefore, since the SO pays the FSMC directly, there is no need for an operational advance in this instance. The SO can not hold and use the advance for administrative costs.

2. Q. Can an administrative advance be used to purchase computer equipment?

A. The SO may make computer purchases with an administrative advance. However, it still must pay other administrative expenses out of the advance funds.

3. Q. Are there any funds other than SO administrative funds available for the purchase of computer equipment?

A. No. There are no other funds available for this purpose.

4. Q. What factors should a SA consider in reviewing SO requests to attend national meetings?

A. Some factors to consider would include whether the agenda is applicable to the CACFP, the overall administrative budget; i.e., whether the trip would affect other activities the SO needs to complete, the number of meetings a SO requests to attend in a year, and how many staff the SO wants to send to the meeting. The SA may pay only the portion of costs germane to the CACFP if the program contains unrelated topics.

5. Q. Can a SA require all centers and SOs to be bonded?

A. No. To add a requirement that could restrict participation is prohibited.

6. Q. If the first ingredient in a cereal is listed as 'flour', is the cereal creditable for the CACFP?

A. No. The flour must be listed as enriched, fortified, or whole grain to be creditable.
7. Q. Can a SO pay for, or reimburse for, FDCH providers' costs of attending conferences?
   
   A. No. FNS Instruction 796-2, Rev. 1, Section VIII.B.21. - 'Travel' states such costs are allowable for employees only. FDCH providers are not considered employees.

8. Q. What income is used to determine eligibility for a foster child?

   A. The Eligibility Guidance, page 33, states only the child's income is considered. This includes funds provided by the welfare agency and identified by category for personal use of the child, such as clothing, school fees, and allowances. When welfare funds cannot be identified by category, no portion of the provided funds is considered as income. Other funds to be included are income the child earns for full or part-time employment, and money provided by the child's family for personal use.