Reply to
Attn.: CACFP-398

Subject: Clarification on Minimum Number of Homes Per Sponsoring Organization (SO) and Start-up Funds

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

At the Biennial Consultants' Meeting in Kansas City, the question was raised regarding the minimum number of homes that each SO must maintain. The issue conveyed was that FNS Instruction 788-3 defines a SO as being responsible for one or more day care homes, but CACFP-262 says each SO must have at least two homes. We are now rescinding question #4 found in CACFP-262. The information found in the Instruction should be considered as the authority in this situation.

To clarify any confusion regarding start-up funds, Part 226.12(b) indicates that prospective SOs shall be entitled to receive start-up funds. Therefore, it is acceptable for a SO which has no homes to receive start-up funds for the purpose of developing operations for up to 50 homes. Of course, all requirements must be met by the SO in the application process prior to receiving the start-up funds.

If you have any questions, please contact a member of my staff at (303) 844-0359.

Ann C. Degroat
Regional Director
Special Nutrition Programs