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

To: STATE AGENCY DIRECTORS
(Child Nutrition Programs)

- Colorado DH, Iowa, Kansas, Missouri DH,
- Montana DHES, Nebraska ED, North Dakota,
- South Dakota, Utah and Wyoming

Attached is a summary of questions and answers that have been raised since our last CACFP question and answer memorandum, CACFP-430, dated May 6, 1995.

We will continue to compile additional information and submit it to the State Agencies as the need arises.

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Regional Director
Child Nutrition Programs

Attachment
1. Q. A caregiver has a license for a center and a group day care home. Is this acceptable?
   
   A. State licensing standards will govern if this is an acceptable situation. If it is, and both facilities are on the CACFP, the State Agency (SA) should monitor that the same children are not claimed in both facilities, not more than three meals per day per child are claimed (unless a center is approved for four meals), etc. The SA could establish a policy that one person could administer only one facility on the CACFP.

2. Q. Are cilantro, parsley, and garlic creditable as vegetables?
   
   A. Yes. However, an 1/8 cup serving would be needed if they were served individually. If they are used in combination with other vegetables in a menu item, for example in salsa, the menu item would have to be served in at least 1/8 cup to be claimed as one of the fruit/vegetable components of the meal.

3. Q. Can a military base sponsor family day care homes (FDCH) on the base and require all homes to only participate with the sponsor?
   
   A. Yes. The military has total authority on the "military reservation" and can dictate what happens on a base.

4. Q. CACFP-325 and CACFP-212, question #4 address lessening of reviews of sponsored Outside School Hours Centers. Can this principle of prorating sponsor reviews be applied to Headstart and other centers which operate fewer than 12 months?
   
   A. Yes. An SA may develop such a policy. It is advisable that a review be required in the first 6 weeks of operation [for example, as for a new center in Part 226.16(d)(4)(i)]. Also, it is recommended that there be no more than 6 months between reviews. If problems are noted, the sponsoring organization (SO) would be expected to do additional reviews.
5. Q. May an SO purchase a car at the end of a lease agreement using administrative money?

A. FNS Instruction 796-2 Revision 2, VIII C 8 e prohibits the direct expensing of motor vehicles. However, VIII A 8 allows for depreciation of a vehicle. An SO may purchase a vehicle and show the depreciation as an expense in its administrative budget if the SA so allows. The vehicle may be depreciated over a 5-year period as stated in CACFP-247, question #2 with 1/60 of the purchase price being claimed each month as an administrative expense. Any acceptable method of depreciation may be used; however, the same method must be used consistently by the SO for all like assets.

6. Q. Part 226.8(e) allows for FCS and OIG to disregard overclaims up to $100 established during a management evaluation or audit of a previous fiscal year. Part 226.8(e) also outlines applicability of this for States relative to SA sponsored audits. CACFP-293, question #4, states that an SA may only disregard overclaims based on audits, not reviews. Can an SA apply the disregard to reviews?

A. Yes. In reevaluation of this policy, we have determined that it may be applied to SA reviews of a previous fiscal year. We are now rescinding CACFP-293, question #4. However, the limits of State law as stated in Part 226.8(e) apply in regard to any disregard and can not exceed $100.

7. Q. Are whey and yeast considered as binders/extenders in meat/meat alternate products?

A. According to Food Safety and Inspection Service Regulations 9 CFR 310, and a Nutrition and Technical Service Technology Update (1982), specific extenders are: calcium reduced dried skim milk, cereal, dried milk, isolated soy protein, soy flour, soy protein, starchy vegetable flour, and whey. Yeast is not considered as a binder/extendier.

8. Q. Can an SO require liability insurance of its FDCHs?

A. No. Unless State law requires such insurance, an SO may not require it. However, CACFP-372, question #3 addresses that liability insurance for the organization is an allowable cost.