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

To: STATE AGENCY DIRECTORS - (Child Nutrition Programs)
   Colorado DPHE, Iowa, Kansas, Missouri DH,
   Montana DPHSS, Nebraska ED, North Dakota,
   South Dakota, Utah and Wyoming

February 28, 1996

Attached is a summary of questions and answers that have been raised since our last CACFP question and answer memorandum, CACFP-451, dated November 15, 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. Are sponsoring organization (SO) board members considered "employees", and therefore, eligible for "employee benefits"?

A. No. SO board members are usually not employees and would not be eligible for "employee benefits". However, if an employee also serves on the board, the individual's status as an employee would permit them to receive "employee benefits".

2. Q. A Family Day Care Home (FDCH) provider feels she spends more than reimbursement received; can she claim the excess costs as business expenses on her Federal income taxes?

A. She should consult someone familiar with the tax laws on this, including what records would be required by IRS. However, allowable CACFP costs include the costs associated with menu planning, purchasing of food and non-food supplies, preparing and serving meals, clean up, supervision of children during the meal time, and preparation of required Program records (See FNS Instruction 796-2, Revision 2 for a detailed listing of allowable/unallowable costs).

3. Q. Does the "And Justice For All" poster have to be posted in FDCHs?

A. No. FNS Instruction.113-4 VI B 6 states that the requirement to display the nondiscrimination poster does NOT apply to FDCHs.

4. Q. If an SO discontinues sponsoring FDCHs, can expansion funds for low-income and rural areas be used by other SOs to cover any expenses of signing on these FDCHs?

A. No. The regular SO administrative funds should cover the costs of signing on these FDCHs.
5. Q. The director of an SO is planning to move out of his house and wants to rent it to the SO at a comparable rate for the area. Is this allowable?
A. No. Since this is a less-than-arms length transaction, the SO must use the Use Allowance as described in PNS-796-2, Revision 2 VIII A 8 to determine how much to allot each month as an administrative cost.

6. Q. Is a privately-owned/operated child care facility required to enroll children who do not speak English?
A. Yes. All facilities participating in the CACFP must abide by PNS Instruction 113-4 in that no child can be denied participation in the Program based on race, color, national origin, sex, age, or disability.

7. Q. Are hog maws creditable?
A. No. There is not enough lean meat on hog maws.

8. Q. Are funds received from the GI Bill considered as income?
A. Yes. These funds are usually paid directly to the veteran to cover any expenses he/she might encounter. However, if the funds went directly to the institution for tuition, they would not be considered as income.

9. Q. Can restaurant meals be claimed for reimbursement in the CACFP?
A. Yes. Restaurant meals may be allowed providing the claimant has prior SA approval, and has proper documentation that the meal will meet meal pattern, quantity, and creditability requirements. It is expected that reimbursement for meals prepared and consumed away from the approved site will be rare and critically evaluated at the SA level.