Reply to
Attn. of: CACFP-514

Subject: Elementary School Attendance Area Determinations:
Two-Tiered Reimbursement Structure for Family Day Care
Homes in the Child and Adult Care Food Program
(CACFP)

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

The purpose of this memorandum is to clarify the documentation
required when classifying a day care home as a Tier I home on the
basis of elementary school data. Specifically, the question has
been asked whether it is permissible for sponsoring organizations
(SOs) and State Agencies (SAs) to accept the providers' self-
declaration of the elementary school serving their home as proof
of residence in a particular elementary school attendance area as
the sole form of documentation.

The law and the regulations (Section 226.15(f), as amended by the
January 7, 1997, interim rule) clearly place the responsibility
for making tiering determinations on the SO. Section 226.6(f)(2)
requires each SO to submit an amendment to its management plan by
April 1, 1997, describing its system for making Tier I day care
home classifications, subject to review and approval by the SA.
Further, SOs are ultimately liable for classifications which are
not supported with proper documentation. SAs must evaluate the
documentation used by SOs to classify day care homes as Tier I
homes as part of the review required by Section 226.6(1).
Section 226.14(a) requires SAs to assess overclaims against SOs
for improper classifications.

In accordance with Section 17(f)(3)(e)(ii) of the National School
Lunch Act, as amended by P.L. 104-193, Section 210.19(f) requires
that a list of elementary schools in which at least 50 percent of
enrolled children are eligible for free or reduced price meals be
provided by the SA administering the National School Lunch Program
on an annual basis for use by SOs in making Tier I day care home
determinations. As indicated in Headquarter's February 10, 1997
memorandum (which was given out at the Tri-Regional meeting in Denver in February) on the provision of elementary school attendance area information, SOs must obtain attendance area information in order to make Tier I day care home classifications using school data.

A sponsor's system of classifying a day care home as a Tier I home on the basis of elementary school data may involve a SO requesting that each provider identify the elementary school serving the home. However, a SO may not rely on a provider's self-declaration for making a Tier I determination. To comply with the law and regulations, a sponsor must independently determine and document attendance area information obtained from its providers. Most commonly, sponsors would obtain an official school-boundary identifying map, match provider addresses to the map's boundaries, and retain the map as documentation. If such maps were unavailable, this might instead involve contacting school officials to verify the attendance area of the schools serving its providers and documenting the results of this contact, either with a letter from school officials to the sponsor or with a memorandum to the files detailing the information provided by school officials and the name of the official(s) consulted.

These documentation requirements are necessary in order to ensure that Tier I classifications are being made in accordance with the law, and to ensure that SOs, and not the individual providers, are making the determinations. This is especially important given the significant financial benefit to a provider associated with classifying a day care home as a Tier I home. The detailed SA review requirements are necessary in order to further ensure that there is adequate management control over both the SO's system for making Tier I determinations, as well as the determinations themselves. These procedures will help ensure proper program management and integrity.

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

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Regional Director
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cc: Colorado ED
Missouri ED
Montana OPI