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

To: STATE AGENCY DIRECTORS - Colorado DPHE, Iowa, Kansas, (Child Nutrition Programs) Missouri DH, Montana DPHSS, 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-534, dated October 23, 1997.

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

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Attachment
CHILD AND ADULT CARE FOOD PROGRAM (CACFP)
QUESTIONS AND ANSWERS
April 1998

Tiering Questions

1. Q. When a State Agency (SA) updates the school data for tiering purposes, when does the data become effective?

A. The data would become effective upon receipt by Sponsoring Organizations (SOs). When a SO classifies new homes (or reclassifies established homes) based on the updated data, that data can only be retroactive to the 1st of the month in which the data was received. The reasoning behind this is that the home was officially classified in a low income area, or not in a low income area and eligible to receive that reimbursement accordingly, even if the SO did not receive the list by the 1st of the month. The principles of CACFP-506, question number 15 apply here.

2. Q. How is a provider reimbursed when he/she moves and is now in a different tier area for a portion of a month since that provider is correctly classified in two different tier statuses for the same month? How is a provider to be reimbursed when a new income eligibility form is submitted that changes their tier status sometime within a month?

A. The provider may not be reimbursed at a higher rate then they are eligible to receive for any portion of the month. Please see CACFP-537 for reimbursement guidance in these situations.

3. Q. A Tier II mixed home is jointly registered to two co-providers. One provider is considered the primary provider for business purposes (i.e., writes checks, etc.) but is not the employer of the other; each is an equal. One of the providers is income eligible; can she claim her own children's meals?

A. No. CACFP 496-1 states "...by definition there will be no meals reimbursed for providers' own children in Tier II homes." CACFP-517-6 states that both providers need to be income eligible to receive Tier I reimbursement in this type of situation.
4. Q. A corporation has a FDCH which is not in a Tier I area. The corporation does not have an income and believes it should be seen as zero income and be Tier I by that fact. Can this be done?

A. No. The corporation is not a household and that is the entity that must be tested. In this case, the SO should test the income of the person giving care (the provider) in that home. If the person giving care says they are just an employee and does not want to have their income tested, then the FDCH will have to be Tier II.

5. Q. The final regulation on tiering (Improved Targeting of Day Care Home Reimbursement, dated February 24, 1998) changed the SA level, non-pricing verification conducted [226.23(h)(1)]. To which types of entities does this apply?

A. Verification procedures at the SA level were changed for reviews of SOs of FDCHs ONLY. Verification for pricing and non-pricing centers, or sponsors of centers has not changed.

Start-up / Expansion / SO administrative Funds Questions

6. Q. How is expansion funding determined for a SO?

A. SOs are entitled to an amount determined by multiplying not less than one month and not more than two months by the highest per home administrative rate for the number of homes the SO believes they will reach, not to exceed 50, as described in CACFP-257 and Section 226.12(b)(5) & (6) of the Interim rule. However, SOs are not required to apply for the full amount they are entitled to receive.

7. Q. Is the expansion funding determined at the maximum current, $75.00, or the rate at which any additional homes would be reimbursed if the SO currently has an agreement with over 50, 200, or 1,000 FDCHs?

A. Expansion funding is to be determined at the maximum reimbursement rate because these potential providers will always be low-income or rural. These low-income or rural providers will require a great deal of labor intensive, up-front work from the SO for licensing compliance and Program basics before the provider decides to enter the Program. Once the targeted provider decides to enter the Program, the SO would receive reimbursement for that new provider at its normal per home administrative rate.
8. Q. Is the new provision authorizing use of administrative funds for licensing only applicable to new FDCHs?

A. Yes.

9. Q. Can administrative funds be used to assist income-eligible providers already on the Program in renewing licenses?

A. No.

10. Q. Can administrative funds be used to assist participating low-income providers who are getting State licenses (instead of their current certification or voluntary registration)?

A. Yes. If by getting a State license the FDCH is becoming eligible for the first time to participate in the CACFP. That is, if the certification/registration was insufficient to qualify the FDCH for Program participation.

Other Questions

11. Q. Can a center which has been determined seriously deficient reapply for the Program?

A. Yes. However, the SA must obtain complete corrective action and obtain FNS Regional Office approval prior to approving the application.

12. Q. New SOs must be visited within 90 days. When does the 90-day period start? For example, an SO is approved on the 15th of the month, but does not have active providers until the 20th.

A. The Regulations do not address this; therefore, the SA can make that determination.

13. Q. Does the first visit to a new SO have to be a complete review? The SA expects to be visiting the SO several times during the first year and will have a full review conducted over that period of time time.

A. No. The Regulations do not itemize what has to be reviewed, only certain critical issues. As long as the SA insures that all necessary items are reviewed during the year, the first visit can be less than a complete review.
14. Q. If a provision 1 or 2 school operates an outside-school-hours-center (OSHC), can the school Income Eligibility Forms be used for the OSHC?

A. No. Documentation of currently enrolled children classified as Free/Reduced Price must be available. This documentation for CACFP must be a completed household IEF which is not more than 12-months old and must be on file to substantiate meal counts and claims for reimbursement. [Part 226.19(b)(8)(i)].

15. Q. A child care center provides 36 - 72 hour emergency care in abusive situations. Would this be considered a residential situation prohibiting meals served to these children from being claimed in the CACFP?

A. Although FNS Instruction 776-4, Revision 1, (Temporary Emergency Care) in the CACFP, appears to only allow this type of emergency residential care in family day care homes, such a situation was not contemplated when the instruction was written. This is a special situation to protect abused children; therefore, we believe it could be extended to a center of this type, as long as the three consecutive calendar days guidelines are applied. Therefore, such meals could be claimed in the CACFP.

16. Q. Walmart sells an iron fortified infant formula under its own brand label. Is this Walmart brand creditable?

A. Yes. For CACFP, as long as it states iron fortified (regardless of the brand name) it will be acceptable for use and creditable in the CACFP.

17. A. An organization which sponsors an adult day care center also provides and rents apartments to some of the participants at another location. These adults are transported to the center. Can the meals served to these adults be claimed?

A. Yes. The apartments and center are in separate locations; therefore, the residence of these adults is not a factor.