Reply to Attn. of: CACFP-547
Subject: Chart of Family Day Care Home (FDCH) Review Requirements
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 the subject chart which outlines documentation the State Agency (SA) must review when monitoring sponsoring organizations, (SO) of FDCHs. The SA must ensure each SO has an adequate system for evaluating Tier I documentation and is properly classifying homes. The SA must also conduct nonpricing verification of income eligibility forms for area eligible provider's own children and children in Tier II homes. However, due to changes in the Final Tiering Regulation, only a percentage of forms must be verified.

Because of these and other changes to the Program, this chart was developed. It is meant to be a reference tool for use on reviews, and we welcome suggestions to make this a more usable resource. Please direct comments to Holly Kuecks at (303) 844-0359.

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Attachment
STATE AGENCY REVIEW EFFORTS REGARDING TIERING

**TYPE OF HOME**

Tier I by school or census data

- school map, census map with block group number, etc.
- If claiming provider’s own, there will be:
  - IEF
  - OR
  - FS/FDPIR/TANF letter

**TYPES OF DOCUMENTATION OR IEFs ON FILE**

Ensure the SO’s system for making Tier I determinations is complete/correct. It is suggested that this process include an evaluation of the source documentation in some of the provider files. Ensure provider’s home is within the boundaries outlined by the eligible school, or that written documentation was kept that a school official verified (by letter/phone contact) the school’s attendance area. If census data was used, ensure the home is within the eligible block group numbering area. [CACFP-505, 226.15(1)]

Review IEFs for completeness and correct determination [226.23(h)(1)]. If household has listed FS/FDPIR/TANF, ensure it contains the child’s name, case number, and signature of an adult member of household. [226.23(e)(iv), FNS Ins. 765-11]

Review the current FS/FDPIR/TANF “notice of eligibility” to ensure it contains the child’s &/or family’s name and indicates they were eligible at the time of determination. [CACFP-537]

Tier I by Income

- Provider’s Tier I IEF
- OR
  - Provider’s FS/FDPIR/TANF letter

There are two requirements:

1. Ensure the SO’s system for making Tier I determinations is complete/correct. [226.23(h)(1)] It is suggested that this process include a recalculation of the source documentation of some of the IEFs. If the provider has listed a FS/FDPIR/TANF number, the file must contain written documentation to verify that fact. The file should contain either a ‘notice of eligibility’ which lists the child’s &/or family’s name and which indicates they were eligible at the time of determination, or documentation that the SO contacted the awarding agency to verify the provider’s participation in that program. [226.23(h)(2)(i), CACFP-520]

2. To comply with nonpricing verification requirements, the SA will need to review all remaining IEFs on file for provider’s chosen for SA visits. The review will consist of ensuring the IEF is complete and that a correct determination was made; there is no requirement to recalculate source documentation for these IEFs.

Review the current FS/FDPIR/TANF “notice of eligibility” to ensure it contains the child’s/family’s name and indicates they were eligible at the time of determination. [CACFP-537]
**Guidance Regarding All Files:**

To ensure the SO's *system of determining* Tier I status, by income, is accurate, the SA should review some of the files. The SA should review a variety of types of Tier I by income homes (school, census, urban, rural) to ensure the SO's procedures were valid in a variety of situations.

The SA needs to verify the approved F/R IEFs on file for those day care homes that are monitored as part of the SO review. [226.23(h)(1)] However, the SA must verify 10 percent of all IEFs on file with the SO to meet new regulatory requirements, which may mean additional IEFs may need to be verified that were not part of the SO review. In addition, the SA must have a system by which it chooses a representative proportion of Tier I (by school, census, and income), Tier II and Tier II mixed DCHs to review. [226.23(h)(1)] The SA should include large/small, urban/rural, existing/new providers in its selection of homes reviewed.

State Agencies with Regional Office-approved alternate verification plans for homes may continue to use that process; however, the SAS may find that the process may not be applicable now, as the number of IEFs for which verification is required has decreased. Any alternate verification plan must be approved by RO in advance of using. (FNS Instruction 776-9)
STATE AGENCY REVIEW EFFORTS REGARDING TIERING

TYPE OF DOCUMENTATION REQUIRED IN SPONSORING ORGANIZATION FILES

Ensure the SO's *system* for making Tier I determinations is complete/correct. It is *suggested* that this process include an evaluation of the source documentation in some of the provider files. Ensure provider's home is within the boundaries outlined by the eligible school, or that written documentation was kept that a school official verified (by letter/phone contact) the school's attendance area. If census data was used, ensure the home is within the eligible block group numbering area. [CACFP-505, 226.15(f)]

Review IEFs for completeness and correct determination [226.23(h)(1)]. If household has listed FS/FDPIR/TANF, ensure it contains the child's name, case number, and signature of an adult member of household. [226.23(e)(iv), FNS Ins. 765-11]

Review the current FS/FDPIR/TANF "notice of eligibility" to ensure it contains the child’s &/or family's name and indicates they were eligible at the time of determination. [CACFP-537]

There are two requirements:

1. Ensure the SO's *system* for making Tier I determinations is complete/correct. [226.23(h)(1)] It is *suggested* that this process include a recalculation of the source documentation of some of the IEFs. If the provider has listed a FS/FDPIR/TANF number, the file must contain written documentation to verify that fact. The file should contain either a "notice of eligibility" which lists the child's &/or family's name and which indicates they were eligible at the time of determination, or documentation that the SO contacted the awarding agency to verify the provider's participation in that program. [226.23(h)(2)(i), CACFP-520]

2. To comply with nonpricing verification requirements, the SA will need to review all remaining IEFs on file for provider's chosen for SA visits. The review will consist of ensuring the IEF is complete and that a correct determination was made; there is no requirement to recalculate source documentation for these IEFs.

Review the current FS/FDPIR/TANF "notice of eligibility" to ensure it contains the child's/family's name and indicates they were eligible at the time of determination. [CACFP-537]
Review IEF for completeness and correctness. [226.23(h)(1)] If household has listed FS/FDPIR/TANF, ensure it contains the child's name, case number, and signature of an adult member of household. [226.23(e)(iv)]

Review the current FS/FDPIR/TANF "notice of eligibility" to ensure it contains the child's/family's name and indicates they were eligible at the time of determination. [CACFP-537]

Review voucher/documentation to ensure it ties the household to one of the State's approved programs, and that it lists the child's/family's name. [CACFP-519, 226.23(h)(1)] An expanded categorically eligible program could simply be indicated on the IEF, and there may be no number associated with the family.

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**LES:**

Determining Tier I status, by income, is accurate, the SA should review some of the files. The SA should review a variety of types of Tier I by income to ensure the SO's procedures were valid in a variety of situations.

All F/R IEFs on file for those day care homes that are monitored as part of the SO review. [226.23(h)(1)] However, the SA must verify 10 percent of new regulatory requirements, which may mean additional IEFs may need to be verified that were not part of the SO review. In addition, the SA sees a representative proportion of Tier I (by school, census, and income), Tier II and Tier II mixed DCHs to review. [226.23 (h)(1)] The SA should visit/new providers in its selection of homes reviewed.

Approved alternate verification plans for homes may continue to use that process; however, the SAs may find that the process may not be applicable when verification is required has decreased. Any alternate verification plan must be approved by RO in advance of using. (FNS Instruction 776-9)