Reply to  
Attn. of: CACFP-552

Subject: Child and Adult Care Food Program Questions and Answers

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-549, dated June 30, 1998.

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

1. Q. Can a Sponsoring Organization (SO) Board member be hired by the SO to conduct family day care home (FDCH) reviews?

A. Yes. There are no prohibitions against this. However, the State Agency (SA) may have restrictions against it.

2. Q. What is the rule about using information from the IRS 1040 form with regard to business losses?

A. A loss can only be treated as "0" and never less than a zero (Reference CACFP-520).

3. Q. Can a FDCH sponsor loan FNS moneys to first-time providers so they can make repairs, get licenses, etc. in order to qualify to go onto the CACFP?

A. No. Sponsor administrative/start-up/expansion funds are available for this use (Reference February 26, 1998 Interim Rule for details).

4. Q. Can a FDCH sponsor loan money from a source other than FNS to a first-time provider so the provider can make repairs, get licenses, etc., and then uses FNS funds to repay the loan?

A. No. See answer to question 3 above.

5. Q. Is commercial eggnog creditable?

A. Crediting Foods in CACFP, page 7 states that ONLY the fluid milk portion is creditable. Therefore, it would be necessary to have a manufacturer's statement to determine this.

6. Q. A provider moved to another residence within the same school boundaries. The school was over 50 percent free/reduced price eligible last year when the provider was originally determined. However, the school has fallen below 50 percent this year. The provider was Tier I; can she remain Tier I?

A. No. The provider was eligible through her previous address, but she must be reevaluated like any other provider who moved into the area. Therefore, she would be Tier II now using current school data.
7.  Q.  Can a detached garage be used as a FDCH?

   A.  Yes. Although CACFP-373 stated this could not be done, we have reevaluated the situation and believe it could be if the garage was renovated for such a purpose. That is, it could be used as a separate living quarters with kitchen, bathroom, etc.

8.  Q.  Is a Yellow Page ad by a SO for the recruitment of FDCHs and centers an allowable cost? The SO was requesting to claim only one-half of the ad cost as a FDCH administrative cost.

   A.  Yes. It is correct that the SO can claim the one-half of the ad cost. As to the allowability, FNS Instruction 796-2, Revision 2, VII A 2 states a cost must be "...necessary and reasonable for proper and efficient administration of the program..." Also VII B 9 "Public Information Service Costs: costs associated with pamphlets, news releases, and other information services to inform individuals, groups, or the general public about CACFP or increase an institution's CACFP are allowed with prior approval of the SA."