Reply to
Attn. of: CACFP-567

Subject: Child and Adult Care Food Program (CACFP) 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-560, dated December 4, 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
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Attachment
CHILD AND ADULT CARE FOOD PROGRAM (CACFP)
QUESTIONS AND ANSWERS
JANUARY 1999

1. Q. Is a faxed signature okay for an agreement renewal?
   A. No. Although allowable for reimbursement claims, our
      position would be that original signatures are necessary for
      agreements. This is an official 'contract' between the State
      Agency (SA) and sponsor/institution. Both the sponsor and
      the SA should have a copy with both original signatures on
      them and be retrievable for the required number of years.

2. Q. An entity administers three programs: a morning
      kindergarten, an afternoon extended care program, and an
      after-school care. The same children are involved in the
      three programs. Can a child be served a lunch after
      kindergarten, a snack in extended care, and a second
      snack in the after-school program?
   A. Yes. It does not appear that one child is receiving more
      than three meals per day. In this case, it is the same
      sponsor so it should be reasonable for the sponsor to
      monitor this situation.

3. Q. An employer matches an employee's contributions to a
      401K type retirement fund. Should these matching funds
      be counted as income?
   A. No. These matching funds would not be available to the
      family. Therefore, they would not be income.

4. Q. A sponsor wants to depreciate a computer over three
      years. Is this reasonable and allowable?
   A. Yes. Although we have not given guidance on how long a
      selected type of equipment/computer should last,
      considering the fast pace of computer technology a
      computer would age quicker than other equipment.
      Therefore, allowing straight depreciation, three years is
      reasonable.
5. Q. A sponsor has a provider that it expects to qualify for Tier I. It has been reimbursing meals for the provider’s own child at Tier II rates. Is this allowable?

A. No. CACFP-496, question #12 states that, by definition, there will be no reimbursement to a provider’s own child in a Tier II home. Meals for this child should not be reimbursed. Reimbursement for these meals should be recovered in an overclaim.

6. Q. An overclaim was established through a state audit. Does the SA have to give appeal rights?

A. Yes. Part 226.6(k) covers appealable actions. Part 226.8(g) states an SA is not required to provide appeal rights to an institution for state actions taken on the basis of a federal audit determination.