CACFP-586

Subject: Child and Adult Care Food Program (CACFP) Questions and Answers

To: STATE AGENCY DIRECTORS - (Child Nutrition Programs)
   Colorado DPHE, Iowa, Kansas
   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-580, dated June 15, 1999.

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

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Attachment
CORRECTIONS

There are two corrections to CACFP-580, dated June 15, 1999:

1) In question 9 the reference "CACFP-45-3" should be CACFP-451-3.

2) CACFP-564 states on pages 5 and 6 that additional guidance will be provided by USDA on how to provide Women, Infant, and Children (WIC) information to certain facilities participating in CACFP. This guidance was issued directly by our National Office to State Agencies (SAs) on April 14, 1999.

1. Q. Can home-grown dehydrated fruit and vegetables be served in the CACFP?
   
   A. No. Home-grown canned fruits and vegetables are not acceptable because of safety concerns. Home grown dehydrated fruits and vegetables would be included.

2. Q. Is there a rule that auditors must make 25 percent of their family day care home (FDCH) visits unannounced?
   
   A. No. The Audit Guide recommends that auditors make all their visits to FDCHs unannounced.

3. Q. A husband of a FDCH provider wants to provide family day care in another house. He would hire a provider to give care. Is this allowable?
   
   A. Yes. The hired provider would sign the agreement with the sponsor and receive the reimbursement check. The provider's income would be used to determine eligibility.
4. Q. A sponsoring organization (SO) wants to offer training for SOS and providers outside of its own. The SO would be providing all-day training sessions of which two hours would be required CACFP training. Can the SO charge for the two hours of training?

A. Yes. The cost would be allowable. However, the SO providing the training would have to separate the CACFP and non-CACFP costs out to show that no CACFP monies were used for the other training. Also, the SO must document that the other participating SOS do not have expenditures that would show that they provided training.

5. Q. A military base does licensing for day care homes on the base. The military base at one time was also a FDCH SO. Now it only refers its licensed providers to one off-base SO. However, there are three other SOS in the State. Can the SA require that the military base be required to refer to all four SOS?

A. Yes. Then the providers may choose which SO to contact.

6. Q. A housing authority is using one of its units as a day care home. The license is in the name of the housing authority. It hires an individual to care for children. Is it eligible for the CACFP as a day care home since it is the licensee and it is located in a residential facility?

A. No. The principles of CACFP-550 regarding incorporated providers applies. The agreement must be with the provider, not the housing authority.
7. Q. A child care center operated by a university wants to add an after-school tutoring program and wants to serve a snack in the new at-risk component of the CACFP. The children are drawn from a school which is 50 percent eligible, however, the university is in an area which is not area eligible. Is this allowable?

A. NO. CACFP-574, A-1 states that under CACFP a public or private nonprofit organization must operate an after-school care program which "...is located in a geographical area served by a school in which 50 percent or more of the children enrolled are eligible for free or reduced price school meals." Also, CACFP-565, under CACFP Eligible Sites states, "To be eligible to participate...a site must be located in an area served by a school in which at least 50 percent of the enrolled children are certified eligible for free or reduced price meals."

8. Q. A day shelter provides case management and laundry services for homeless people. The participants do not stay at the shelter overnight. Can this shelter participate in the CACFP?

A. No. CACFP-572 defines an eligible emergency shelter as, "a facility all or a part of which is used or designated to be used to provide temporary housing."

9. Q. Are homeless sites and shelters for battered women required to issue a public release?

A. No. It is felt that media releases should not be required for these sites for safety/confidentiality reasons.
10. Q. Is documentation required for disabled children over 12 years of age who are no longer in school because they have reached their learning level and do not have an IEF from the school?

A. Part 226.2 of the Regulations under the definition of children states, "...(c) persons with mental or physical handicaps, as defined by the State, enrolled in an institution or a child care facility serving a majority of persons 18 years of age and under." It would be up to the State to determine what documentation is required for these individuals.

11. Q. Do outside school hours centers have to take attendance or have some type of sign in/sign out sheet?

A. Yes. The Child Care Center Handbook, page 52 and 53, states that daily attendance records must be maintained separate from the center's meal count records, unless an alternate documentation system is approved by the administering agency.

12. Q. Is the fee to incorporate an allowable cost for an institution?

A. No. This is not an allowable expense because it is a precondition for participation in the CACFP.

13. Q. Can the fees paid to the IRS be claimed as a CACFP cost for institutions as they move toward tax exempt status?

A. No. This is a precondition for participation in the CACFP and is not an allowable cost.
14. Q. Are bank fees reimbursable costs?
   
   A. It depends on the history of such fees. For example, the SA determines that the institution has too much money in its account to justify nonprofit food service. As corrective action, the institution uses the excess money to improve the food service operation. The bank account then falls below a minimum required by the bank and the fee is incurred. These fees would not be reimbursable. However, if the institution always had an account at a bank and the SA has been aware of bank fees, the cost would be allowable. The institution might consider looking into a bank which uses an average daily balance instead of a minimum balance.

15. Q. Are moving expenses incurred when an institution moves reimbursable?
   
   A. The costs for moving and storage are at the discretion of the SA. If the SA determines that the move is for the benefit of the CACFP, the costs are allowable. If the SA determines that the move is to the benefit of the organization only, those costs are not allowable.

16. Q. Typically, emergency shelters serve meals to everyone. How should an emergency shelter participating in the CACFP document nonprofit food service?
   
   A. It is up to the SA to determine what it believes is reasonable for determining nonprofit food status and develop its own requirements. CACFP-572 says that emergency shelters must keep records that are adequate to determine the nonprofit status of the food service. The SA's procedures should include requirements that the shelter maintain a daily roster of children receiving meals, total meal counts by type, and menus for infant meals and meals served to children. These records can be used when determining nonprofit food service.
17. Q. How should an emergency shelter handle incoming donated and commodity foods to ensure documentation of receipt of these foods?

A. It should record the items received by date and the amount (i.e. 7/2/99: 1 case of apples).

18. Q. When institutions participating in the CACFP receive donated foods, it is possible that the CACFP reimbursement could be more than the costs of operating the CACFP. How is this handled to ensure nonprofit status is maintained?

A. The determination of nonprofit status does not mean the institution operates its nonprofit food service program at a loss or break-even condition. It does require that any excess of revenues over expenses is retained and used only in the nonprofit food service program. Instruction 796-2, Rev. 2, states that SAs may determine what constitutes an excessive nonprofit food service program balance.