CACFP-692

Subject: Questions and Answers (Q&A)

To: STATE AGENCY DIRECTORS - (Special Nutrition Programs)
Colorado ED, Iowa, Kansas, Missouri DHSS,
Montana DPH, Nebraska, North Dakota,
South Dakota, Utah and Wyoming

Attached are questions and answers that have been asked and answered since our last Q & A memorandum.

If you have questions, please let us know.

DARLENE SANCHEZ
Regional Director
Special Nutrition Programs

Attachment
CHILD AND ADULT CARE FOOD PROGRAM (CACFP)  
QUESTIONS AND ANSWERS  
March 2003

FAMILY DAY CARE HOMES

1. Q. Two individuals are business partners in a residence. Neither of the business partners reside in the home. They care for their own children and occasionally the children of their clients. They are both on the premises most of the time. The license to care for children is only in one of their names. Can the meals served to their own children be claimed when no other children are in attendance?

A. The nature of a business partnership is that the partners share in the income and expenses. Therefore, in this case, they are both providers, and children other than their own must be present in order to claim their own children’s meals.

2. Q. A woman has a day care license for her home, but also has a job away from the home. She hires a day care provider to provide care for the children in the home. Who has the agreement with the sponsoring organization? Whose income would be used for tiering purposes?

A. The person who is the primary care giver would sign the agreement with the sponsoring organization and that person’s income would be used for tiering purposes.

FINANCIAL MANAGEMENT

3. Q. A sponsor of homes wants to protect their appeals officer with liability insurance. Is this an allowable cost?

A. Yes.

4. Q. Are yellow page ads in the phone book an allowable cost?

A. Yes. They are allowable with prior approval but must be prorated among all the programs with which the sponsor works.
5. Q. What interest rate should a State Agency (SA) use to charge institutions? Is it the same as the Federal rate and what is the source/regulation that documents the Federal interest rate?

A. The Current Value of Funds Rate is published annually in the Federal Register by the Department of Treasury and should be used to determine current interest rates. This is the same rate that should be used for all debts owed to the Federal Government (unless other specific statutes apply).

6. Q. If the Federal rate is to be used, how does a SA access that information without having to contact FNS?

A. The SA can access this information through the following website: http://fms.treas.gov Click on Current Value of Funds.

7. Q. Does the SA need to charge compound interest or simple interest?

A. The SA needs to charge simple interest.

8. Q. Does the SA need to account for the interest money separately from the food, cash-in-lieu, and admin accounts?

A. The interest will have to be accounted for and reported separately, since by law it is returned to the Department of Treasury.

9. Q. Is simple interest calculated based on the outstanding balance or the total at the beginning of the bill?

A. Interest is calculated based on the unpaid principal amount (outstanding balance).

INFANT MEALS

10. Q. The “Feeding Infants” guide on page 53 discusses introducing yogurt into an infant’s diet. However, the infant meal pattern in the Regulations does not list yogurt as an acceptable meat/meat alternate. Is yogurt creditable for infants ages 8-11 months old?

A. No. It may be served as an additional food item. The “Feeding Infants” publication discusses introducing yogurt in small amounts.
INTEGRITY

11. Q. A private nonprofit (PNP) organization has a board that is made up of only family members. These individuals see this organization as their own private business. The state agency is requiring this organization to maintain a board that is made of members of the community, rather than family members. The organization would rather go back to a for-profit status than have members of the community serve on its board. Can the organization just change its accounting methods and go back to a for-profit status?

A. No. There are procedures that must be followed for an organization to go back to for-profit status. The for-profit organization cannot just take over the assets of the PNP organization. If a PNP organization dissolves, it must give its assets to another PNP or sell them to the new for-profit organization. The Secretary of State oversees this process. The SA would need to have documentation that this process occurred before approving the new for-profit organization to participate in the CACFP.