We have received a request for clarification of our memorandum CACFP-553, on the above subject. Therefore, we are reissuing our policy on audit requirements for Proprietary Title XIX and Title XX institutions.

State agencies (SA) must establish audit policy for Title XIX and Title XX proprietary institutions, including frequency and audit threshold. However, the audit policy established by the SA must not conflict with the authority of the SA or the Department to perform, or cause to be performed audits, reviews, agree-upon procedures engagements, or other monitoring activities.

A SA may elect to cover some or all of the CACFP appropriate costs of the audit from CACFP 1% audit funds. However, a SA may also require that the proprietary institution obtain and fund the required audit. The prorata share of such audit costs are an allowable cost from program funds available to the institution.

If you have questions or concerns regarding this please contact one of our staff at (303) 844-0354.

DARLENE SANCHEZ
Regional Director
Special Nutrition Programs