

CHILD AND ADULT CARE FOOD PROGRAM CHILD AND ADULT DAY CARE CENTERS

PROGRAM INTRODUCTION

The Child and Adult Care Food Program (CACFP) is designed to provide assistance to begin, maintain and expand food service programs for children and certain adults. The program is intended to combine a nutritious food service with organized care. Centers must provide nonresidential care or provide shelter for the homeless. They will receive reimbursement for meals served to eligible participants at a rate of reimbursement which is variable. Centers enter into an agreement with the Utah State Office of Education (USOE), Child Nutrition Programs and have both administrative and financial responsibility for program operations.

The Quick Reference gives an overview of program topics. The Index contains a list of all the topics addressed in the Quick Reference. The program is governed by several different federal regulations (such as 7 CFR 226, 3015, 3016, 3019, 3052 and others), guidance (*Food Buying Guide for Child Nutrition Programs, Accommodating Children with Special Dietary Needs*, for example) and instructions (Civil Rights Instruction 113-1, Allowable Costs Instruction 796-2, revision 3, for example). Regulations, guidance and instructions all outline program requirements.

This Quick Reference is an attempt to put all the clarifying materials in one location, but Bulletins are issued by the USOE on a continuing basis which may change or detail future procedures for processes. The Quick Reference incorporates all Bulletins issued by the USOE through winter, 2011. Whenever there are questions regarding the program, contact the USOE for clarification and to obtain the most recent information.

NOTE: In any text where there is or appears to be a conflict between this USOE manual and published federal regulations or other guidance, and this manual implies less restriction, federal materials apply. If this manual is more restrictive, it will apply.

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DEFINITIONS

Administrative costs means costs incurred by an institution related to planning, organizing, and managing a food service under the Program including training key staff. Administrative costs do not include preparation, service, supervision or other direct meal service functions.

Administrative review means the fair hearing (appeal) provided upon request to an institution that has been given notice by the State agency of any action or proposed action that will affect their participation or reimbursement under the Program or a principal or individual responsible for an institution's serious deficiency after the responsible principal or responsible individual has been given a notice of intent to disqualify them from the Program.

Administrative review official means the independent and impartial official who conducts an administrative review.

Adult means any individual 21 years of age or older.

Adult day care center means any public or private nonprofit organization, or any proprietary title XIX or title XX center which is licensed or approved to provide nonresidential adult day care services to functionally impaired adults or persons 60 years of age or older in a group setting outside their homes or a group living arrangement on a less than 24-hour basis. Such centers shall provide a structured, comprehensive program that provides a variety of health, social and related support services to enrolled adult participants through an individual plan of care.

Adult day care facility means a licensed or approved adult day care center under the auspices of a sponsoring organization.

Adult participant means a person enrolled in an adult day care center who is functionally impaired or 60 years of age or older.

Child care center means any public or private nonprofit organization, or any proprietary title XX center licensed to provide nonresidential child care services to enrolled children, primarily of preschool age, including but not limited to day care centers, settlement houses, neighborhood centers, Head Start centers and organizations providing day care services for children with handicaps. Child care centers may participate in the Program as independent centers or under the auspices of a sponsoring organization.

Child care facility means a licensed or approved child care center or outside-

school-hours care center under the auspices of a sponsoring organization.

Children means persons 12 years of age and under, (b) children of migrant workers 15 years of age and under, and (c) persons with mental or physical disability, 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.

Disqualified means the status of an institution, a responsible principal or responsible individual that is ineligible for participation.

Emergency shelter means a public or private nonprofit organization whose primary purpose is to provide temporary shelter and food services to homeless families with children.

Enrolled child means a child whose parent or guardian has submitted to an institution a signed document which indicates that the child is enrolled for child care.

Food service management company means an organization other than a public or private nonprofit school, with which an institution may contract for preparation and, unless otherwise provided for, delivery of meals, with or without milk for use in the Program.

Functionally impaired adult means a disabled person 18 years of age or older, including victims of Alzheimer's disease and related disorders with neurological and organic brain dysfunction, who are physically or mentally impaired to the extent that their capacity for independence and their ability to carry out activities of daily living is markedly limited. Activities of daily living include, but are not limited to, adaptive activities such as cleaning, shopping, cooking, taking public transportation, maintaining a residence, caring appropriately for one's grooming or hygiene, using telephones and directories, or using a post office.

Group living arrangement means residential communities or private residences housing an individual or a group of individuals who are primarily responsible for their own care and who maintain a presence in the community but who may receive on-site monitoring.

Household contact means a contact made by a sponsoring organization to an adult member of a household with a child in a child care center in order to verify the attendance and enrollment of the child and the specific meal service(s) which the child routinely receives while in care.

Head Start participant means a child currently receiving assistance under a

Federally-funded Head Start Program who is categorically eligible for free meals in the CACFP by virtue of meeting Head Start's low-income criteria.

Income to the program means any funds used in an institution's food service program, including, but not limited to all monies, other than Program payments, received from other Federal, State, intermediate, or local government sources; participant's payments for meals and food service fees; income from any food sales to adults; and other income, including cash donations or grants from organizations or individuals.

Independent center means a child care center, outside-school-hours care center or adult day care center which enters into an agreement with the State agency to assume final administrative and financial responsibility for Program operations.

Infant cereal means any iron-fortified dry cereal specially formulated for and generally recognized as cereal for infants that is routinely mixed with breast milk or iron-fortified infant formula prior to consumption.

Infant formula means any iron-fortified formula intended for dietary use solely as a food for normal, healthy infants; excluding those formulas specifically formulated for infants with inborn errors of metabolism or digestive or absorptive problems. Infant formula, as served, must be in liquid state at recommended dilution.

Institution means a sponsoring organization, child care center, outside-school-hours care center or adult day care center which enters into an agreement with the State agency to assume final administrative and financial responsibility for Program operations.

Internal controls means the policies, procedures, and organizational structure of an institution designed to reasonably assure that: (a) the Program achieves its intended result; (b) Program resources are used in a manner that protects against fraud, abuse, and mismanagement and in accordance with law, regulations, and guidance; and (c) timely and reliable Program information is obtained, maintained, reported, and used for decision-making.

Meals means food which is served to enrolled participants at an institution, child care facility or adult day care facility and which meets the nutritional requirements established for the Program.

Medicaid means Title XIX of the Social Security Act.

Medicaid participant means an adult participant who receives assistance under

Title XIX of the Social Security Act—Medicaid.

Milk means pasteurized fluid types of unflavored or flavored whole milk, low fat milk, skim milk, or cultured buttermilk which meet State and local standards for such milk, except that, in the meal pattern for infants (0 to 1 year of age), milk means breast milk or iron-fortified infant formula.

National disqualified list means the list, maintained by the USDA, of institutions, responsible principals and responsible individuals, and day care homes disqualified from participation in the Program.

Nonpricing program means an institution in which there is no separate identifiable charge made for meals served to participants.

Nonprofit food service means all food service operations conducted by the institution principally for the benefit of enrolled participants, from which all of the Program reimbursement funds are used solely for the operations or improvement of such food service.

Nonresidential means that the same participants are not maintained in care for more than 24 hours on a regular basis.

Operating costs means expenses incurred by an institution in preparing, serving and supervising meals to participants under the Program.

Outside-school-hours care center means a public or private nonprofit organization, or a proprietary title XX center, licensed or approved to provide organized nonresidential child care services to children outside of school hours. Outside-school-hours care centers may participate in the Program as independent centers or under the auspices of a sponsoring organization.

Participants mean “children” or “adult participants.”

Pricing program means an institution in which a separate identifiable charge is made for meals served to participants.

Principal means any individual who holds a management position within, or is an officer of, an institution or a sponsored center, including all members of the institution’s board of directors or the sponsored center’s board of directors.

Program payments means financial assistance in the form of reimbursement paid or payable to institutions for operating costs and administrative costs under the Program.

Proprietary Title XIX center means any private, for profit center: (a) providing nonresidential adult day care services for which it receives compensation from amounts granted to the States under Title XIX of the Social Security Act and (b) in which Title XIX beneficiaries were not less than 25 percent of enrolled eligible participants in the calendar month preceding initial application or annual reapplication for Program participation.

Proprietary Title XX center means any private, for profit center: (a) Providing nonresidential child care services for which it receives compensation from amounts granted to the States under Title XX of the Social Security Act, and in which Title XX child care beneficiaries, or children determined eligible for free or reduced price benefits constitute no less than 25 percent of enrolled eligible participants or licensed capacity, whichever is less, during the calendar month preceding initial application or annual reapplication for Program participation; or, (b) Providing nonresidential adult day care services for which it receives compensation from amounts granted to the States under Title XX of the Social Security Act and in which adult beneficiaries were not less than 25 percent of enrolled eligible participants during the calendar month preceding initial application or annual reapplication for Program participation.

Reimbursement means federal financial assistance paid or payable to institutions for Program costs within the annually assigned rates.

Responsible principal or responsible individual means: (a) a principal, whether compensated or uncompensated, who the state agency or FNS determines to be responsible for an institution's serious deficiency; (b) any other individual employed by, or under contract with, an institution or sponsored center, who the state agency or FNS determines to be responsible for an institution's serious deficiency; or (c) an uncompensated individual who the state agency or FNS determines to be responsible for an institution's serious deficiency.

SSI participant means an adult participant who receives assistance under Title XVI of the Social Security Act, the Supplemental Security Income (SSI) for the Aged, Blind and Disabled Program.

Seriously deficient means the status of an institution that has been determined to be out of compliance in one or more aspects of its operation of the Program.

Sponsoring organization means a public or nonprofit private organization which is entirely responsible for the administration of the food program in: (a) a child care center, outside-school-hours care centers, or adult day care center

which is a legally distinct entity from the sponsoring organization; (b) two or more child care centers, outside-school-hours care centers, or adult day care centers; or (c) any combination of child care centers, adult day care centers and outside-school-hours care centers. The term "sponsoring organization" also includes a for-profit organization which is entirely responsible for administration of the Program in any combination of two or more child care centers, adult day care centers and outside-school-hours care centers which are part of the same legal entity as the sponsoring organization, and which are proprietary Title XIX or XX centers.

Suspended means the status of an institution that is temporarily ineligible for participation (including Program payments).

Title XIX means Title XIX of the Social Security Act which authorizes grants to states for Medical Assistance Programs—Medicaid.

Title XX means Title XX of the Social Security Act.

Unannounced review means an on-site review for which no prior notification is given to the facility or institution.

QUICK REFERENCE CHILD AND ADULT CARE CENTERS PROGRAM

A

Administrative Budget

Sponsoring organizations submit an administrative budget to the USOE for approval each year. The proposed budget must represent actual administrative costs to be incurred in the normal course of conducting the program. During any fiscal year, administrative costs recovered by an SO from food service reimbursement may not exceed the amount of administrative costs approved by USOE in the SO's budget. Administrative cost withholding may not exceed 15 percent of the food service payments made during any fiscal year. Administrative expenses include activities such as staff training, time spent in approval or maintenance of free or reduced-price applications, facility monitoring, or other expenses which support the food program. The budget should be amended as needed during the year as growth and changes occur.

Expected costs must be:

- Necessary and reasonable for proper and efficient administration of the program.
- Authorized and not prohibited under state or local laws or regulations.
- Accorded consistent treatment through application of generally accepted accounting principles appropriate to the circumstances.
- Not chargeable to or included as a cost to any other federally financed program in either the current or prior period.
- Adequately documented.

(see 7CFR Part 226, 7CFR Part 3016 or 3019, and FNS Instruction 796-2, revision 3.)

Administrative Review (Appeal) Procedures for Facilities

There is no provision for sponsored facilities to appeal an action of the USOE. Any such appeal would be undertaken by the SO on behalf of the facility. Whether facilities may appeal to the SO regarding adverse actions imposed by the SO is at the SO's discretion. The appeal procedure should be in writing and made known to all sponsored facilities. (See **Administrative Review Procedures for Institutions.**)

Administrative Review (Appeal) Procedures for Institutions

The appeal procedures detail what the USOE must do and within what time frames for the institution to have its rights.

In this description of the process, responsible principals and responsible individuals may include, but are not limited to, an executive director, a director, the board chair, members of the board, the proprietor, a partner, employees and volunteers.

The USOE must offer an Administrative Review (appeal) of any decision concerning:

- Denial of an application for participation by a new or renewing institution.
- Denial of an application submitted by a sponsoring organization for a facility.
- Notice of proposed termination of an institution's agreement.
- Notice of proposed disqualification of a responsible principal or a responsible individual.
- Suspension of an institution's participation.
- Denial of an institution's application for start up or expansion payments.
- Denial of a request for an advance payment.
- Recovery of all, or part, of an advance in excess of the claim for the specific period.
- Denial of all, or part, of a claim for reimbursement.
- Refusal by USOE to forward to FNS a request for payment of a late claim or an upward adjustment to a claim.
- Demand for repayment of an overpayment.
- Any other action by us affecting the institution's participation in the program or the claim for reimbursement.

A special (abbreviated) Administrative Review, limited to written information only, must be provided when the USOE denies an application or proposes to terminate an agreement because:

- Information given on the application was false.
- The center, sponsored facilities, or a responsible person in the institution or their facilities is on the national disqualified list.
- The principal, a sponsored facility or a responsible person in the institution or the facility is ineligible to participate in any other publicly funded program.
- The principal, a sponsored facility, or a responsible person in the institution or the facility has been convicted for any activity that indicates a lack of business integrity.

Following are the steps and timing of the appeal process for the USOE, the institution and/or sponsor and the responsible persons.

1. The institution's executive director and chairman of the board of directors and any other responsible persons will be told in writing of the action being proposed or taken and why. The notice will be sent by certified mail, return receipt requested (or by fax or e-mail) and will include the procedures the institution and responsible persons must follow to request an Administrative Review of the action.
2. To appeal the action, a review must be requested within 15 days of the day of receipt of the notice of action. (The 15 days are counted from the date on the US Postal Service receipt or five days from the date of the letter or the electronic date stamp on the fax or e-mail transmission.) If a personal hearing before the review official is desired, the request must so state. The request for review should be sent to: Utah State Office of Education—Child Nutrition Programs, 250 East 500 South, P.O. Box 144200, Salt Lake City, UT 84114-4200, and Attention: Senior Specialist.
3. The USOE must acknowledge receipt of the request for review within 10 days.
4. The institution, sponsor and responsible persons may be represented by a lawyer or another person.
5. The information on which the USOE action was based will be made available to the institution, the sponsor and the responsible persons for inspection anytime after an Administrative Review is requested.
6. Within 30 days of the notice of action, the institution, sponsor and the responsible persons must submit to the review official any information to be reviewed regarding the USOE's action.
7. The review official must notify the institution, sponsor, responsible persons and the USOE at least 10 days in advance of the place and time of the hearing.
8. If the principals, institution, sponsor or representative misses the hearing, the review official may find in the USOE's favor or may re-schedule the hearing at his/her option. The USOE may attend the hearing, but is not required to.
9. The review official must be independent and impartial, must not have been involved in the action that is being reviewed and must not have any personal or financial interest in the outcome of the Review. The institution, sponsor and the responsible persons are permitted to contact the review official directly.
10. The review official must make a decision based only on the information provided by the USOE and the institution, sponsor and any responsible persons and according to federal and state laws, regulations policies and procedures for the program.
11. Within 60 days of the USOE's receipt of the request for appeal, the review official will make a decision regarding the USOE's action. The review

official's decision will be sent to the USOE and will immediately be forwarded to the institution/sponsor.

12. The review official's decision is the final administrative review the USOE obligated to offer institutions, sponsors and the responsible persons.

Appeals are not allowed on decisions made by FNS for exceptions to the claims submission deadlines and adjustments as stated under **Claim for Reimbursement**. Appeals to the USOE are also not allowed in cases where a claim against an institution was made by us based on federal audit findings. Demand for corrective action, whether due to findings of serious deficiency related to viability, capability or accountability, or to other compliance issues, following a monitoring review or an audit, cannot be appealed, nor can termination nor disqualification and placement on the national disqualified list.

Adult Day Care Centers

Adult day care centers may participate in the program either as independent centers or as facilities under the auspices of a sponsoring organization. However, public and private nonprofit centers shall not be eligible to participate in the Program under the auspices of a for-profit sponsoring organization. All independent adult day care centers must comply with **Institution Requirements**, as well the requirements listed in this section.

All adult day care centers, independent or sponsored, must meet the following requirements:

- Adult day care centers must have appropriate licensing or approval to provide day care services. Centers which are complying with applicable procedures to renew licensing or approval may participate in the program during the renewal process unless the USOE has information which indicates that renewal will be denied.
- Except for proprietary Title XIX or Title XX centers, adult day care centers shall be public, or have tax-exempt status under the Internal Revenue Code of 1986.
- Adult day care centers must provide a community-based, non-residential group program designed to meet the needs of functionally impaired adults (see **Functional Impairment**) and/or adults 60 years of age or older through an individual plan of care on a less than 24-hour basis. The program must be structured and comprehensive, providing a variety of health, social and related support services to enrolled adult participants. Adult day care centers shall maintain records which document that qualified adult day care participants reside in their own homes (whether

alone or with spouses, children or guardians) or in group living arrangements.

- Adult day care centers must provide care and services directly or under arrangements made by the agency or organization whereby the agency or organization maintains professional management responsibility for all such services.
- Adult day care centers shall serve one or more of the following meal types: (i) breakfast, (ii) lunch, (iii) supper, and (iv) snacks.
- Reimbursement shall not be claimed for more than two meals and one snack provided daily to each adult participant.
- Centers shall claim only the meal types specified in the approved application in accordance with the meal pattern requirements. Menus and any other nutritional records required by the USOE shall be maintained to document compliance with such requirements.
- Adult day care centers must maintain daily records of time of service meal counts by type (breakfast, lunch, supper, and snacks) served to enrolled participants, and to adults performing labor necessary to the food service. Reimbursement may not be claimed for meals served to persons who are not enrolled, or for meals served to participants at any one time in excess of the center's authorized capacity.
- Adult day care centers may not claim CACFP reimbursement for meals claimed under Part C of Title III of the Older Americans Act of 1965.
- Adult day care centers must collect and maintain current family size and income information for participants classified as eligible for free and reduced-price meals. (See *Eligibility Guidance*.)
- Each adult day care center must maintain enrollment records which show the age of each enrolled person. Each adult day care center must maintain records which demonstrate that each enrolled person under the age of 60 meets the functional impairment eligibility requirements.
- Centers must maintain records to document the attendance of all participants.
- In for-profit adult care centers, reimbursement may only be claimed in calendar months when at least 25 percent of enrolled participants or licensed capacities were Title XIX or XX beneficiaries. Documentation of eligibility must be in place at the time the claim is made. (See **Eligible Adults**.)
- Adult day care centers must require key operational staff, as defined by the USOE, to attend Program training prior to the facility's participation in the Program, and at least annually thereafter, on content areas established by the USOE. Each meal service must be supervised by an adequate

number of operational personnel who have been trained in Program requirements.

- An adult day care center may obtain meals from a school food service facility, and the Program requirements detailed in a written agreement between the center and school. The center shall maintain responsibility for all Program requirements

Adult Meals in Child Care Centers

Adult meals are not eligible for federal reimbursement unless the adult is certified by a physician as disabled and participates in the program in a center where the majority of enrolled participants are age 18 years or younger.

Adults

See **Eligible Adults**.

Allowable Costs

Allowable costs include food used, supplies and expendable equipment, repairs, rental or use of equipment and other services, and labor. These are considered direct costs. (See 7CFR Part 226, 7CFR Part 3016 or 3019, and FNS Instruction 796-2, revision 3.)

Cost of Food Used

The cost of food used must support meal production records and include invoices or dated cash register receipts. What is recorded as served must be supported by records. The cost of food used in the program may not include the value of donated foods or missing inventory, including stolen food; these are to be documented separately. Food donations do not count towards reimbursable meals with the exception of the Utah Food Bank and Emergency Shelters.

An inventory record may be used to help support the cost of food. In this case, the dollar value of the beginning inventory, plus the value of food received during the period, minus the value of the ending inventory is the cost of food. The inventory record must be supported by purchase records as mentioned above.

Supplies and Expendable Equipment

Institutions may charge to the Program the acquisition cost of nonfood items and expendable equipment used directly in food service operation. Expendable equipment is normally any equipment with a purchase price of less than \$1,000 and a useable life expectancy of less than 2 years.

Repairs, Rental and Use of Equipment, and Other Services

Costs incurred in the routine maintenance or minor repair of nonexpendable equipment and rental or use of equipment for the food service may be charged to the Program.

Labor

Costs incurred for program labor, including administration, may be charged to the Program. No labor costs may be claimed more than once. Allowable labor costs include salary and other employee benefits, such as health insurance, retirement fund, etc. Meals furnished without charge to food service employees are an operating expense and are also an allowable labor cost.

Alternate Protein Products

Alternate Protein Product (APP) is an ingredient in a food, not a food item. As an ingredient, it is not listed in the *USDA Food Buying Guide*. Fully hydrated APP is credited at a one-to-one ratio. When blended, the credit of each of the components is added together and may be counted up to the portion weight of the product. A processed product, such as a vegetarian patty, is not considered an APP. Such products must carry a CN label or include a manufacturer's specification. Contact the USOE if you are interested in using APP.

Application and Agreement

Application and agreement materials include a management plan, an administrative budget and a non-discrimination and pricing policy. The agreement and policy are permanent, but may be amended if necessary. Payment under the permanent agreement depends on the availability of federal funds. The agreement provides that the institution will accept final financial and administrative responsibility for management of an effective food service and will comply with all Program requirements and all civil rights regulations. The application includes a management plan with detailed information on the organizational structure, the staff assigned to Program management and the procedures which will be used to administer the Program. Proof of Utah Department of Commerce registration (except government institutions) must accompany application materials. Institutions, facilities and contractors participating in Child Nutrition Programs are required to cooperate with the Department of Agriculture officials and contractors conducting evaluation and research.

Audits

All public and private nonprofit institutions that expend total federal financial assistance in excess of \$500,000 per year must have an organization-wide audit conducted annually at the close of each fiscal year in accordance with OMB Circular A-133 and applicable compliance supplements. The audit must be arranged by the institution and conducted by an independent auditor. The

institution must submit its annual audit to the USOE within 30 days after the audit is completed, but no later than nine months following the close of the fiscal year audited. The institution must also provide comments on the findings and recommendations in the audit report, including corrective action taken or planned and comments on the status of corrective action on prior findings. The cost of the audit is an allowable expense to the extent to which it addresses the CACFP. Proper procurement procedures must be followed when engaging the auditor.

For-profit institutions that receive CACFP assistance of \$28,000 to \$80,000 in a year may have a program-specific audit conducted annually at the close of each fiscal year which will be arranged by the USOE. The audit will include program compliance and financial management. The institution must provide comments on the findings and recommendations in the audit report, including corrective action taken or planned and comments on the status of corrective action on prior findings.

If an institution does not agree with findings of the audit affecting the participation of the institution in the program, or the institution's claim for reimbursement, an appeal may be requested (unless the audit was conducted by a federal agency). (See **Administrative Review Procedures for Institutions.**)

B

Breast Milk

When breast milk is furnished to the center by the parent for meals in which the breast milk is the only required component, the meal may be claimed for reimbursement if center staff feed the infant. (See **Infant Meal Pattern and Guidelines** and *Feeding Infants*.)

C

Categorical Eligibility

Categorical eligibility for free meals is given to all household members when any member of the household receives benefits from the Supplemental Nutrition Assistance Program (SNAP), the Family Employment Program (FEP) or the Food Distribution Program on Indian Reservations (FDPIR). The eligibility form must show the names of all those in the household, a case number for at least one of the members of the household and an adult signature certifying the information on the application as true.

If parents share custody of a child who is eligible for free meals because of SNAP, FEP or FDPIR, the child will remain classified as free at either parents' home. If the child is receiving SNAP, FEP or FDPIR, other family members in either household may be claimed if they are listed on the eligibility form. If the parent or another household member receives SNAP, FEP or FDPIR, the child is eligible for free meals, however, when visiting or living at the other home no one else in that home is eligible based on the child's eligibility.

If eligibility is based on a school-age child's receipt of benefits, a school or district benefit determination letter showing the child is eligible for free or reduced-price meals can be used in place of an IEF.

Foster children are also categorically eligible to be claimed for free meals, however, the benefits do not extend to others in the household in which the foster child is living. (See *Eligibility Guidance*.)

Cheese Spreads and Cheese Products

Labels indicating "cheese product" are not creditable in CACFP. Cheese spreads and cheese foods are creditable (see *USDA Food Buying Guide*).

Child Care Centers

Child care centers may participate in the program either as independent centers or facilities under the auspices of a sponsoring organization. Public and private nonprofit centers cannot participate in the program under the supervision of a for-profit sponsoring organization. All independent Child Care Centers must comply with **Institution Requirements** as well as the requirements listed in this section. All child care centers, whether independent or sponsored, shall meet the following requirements.

- Child care centers must have appropriate licensing or approval to provide day care services. Centers which are complying with applicable

procedures to renew licensing or approval may participate in the program during the renewal process, unless the USOE has information which indicates that renewal will be denied. If licensing is not available, a center may participate if it demonstrates compliance with standards. (See **Licensing Approval.**)

- Except for proprietary Title XX centers, child care centers shall be public, or have tax exempt status under the Internal Revenue Code of 1986. For-profit child care centers may only claim reimbursement for calendar months when at least 25 percent of enrolled participants or licensed capacity were qualified for free or reduced-price meals or were Title XX beneficiaries. (See **Eligibility to Claim.**)
- Each child care center shall serve one or more of the following meal types: (i) breakfast, (ii) lunch, (iii) supper, and (iv) snacks. Reimbursement shall not be claimed for more than two meals and one snack or one meal and two snacks provided daily to each child.
- Child care centers shall claim only the meal types specified in its approved application in accordance with the meal pattern requirements. Reimbursement may not be claimed for meals served to children who are not enrolled, or for meals served to children at any one time in excess of the child care center's authorized capacity.
- Reimbursement may not be claimed for meals served at a proprietary Title XX center during a calendar month when less than 25 percent of enrolled children or 25 percent of licensed capacity, whichever is less, were Title XX beneficiaries or were eligible for free or reduced-price meal reimbursement.
- Menus and any other nutritional records required by the USOE shall be maintained to document compliance with meal requirements.
- A child care center with preschool children may also be approved to serve a breakfast, snack, and supper to school-age children enrolled in an outside-school-hours care program which is distinct from its day care program for preschool-age children. (See **Outside School Hours Care Centers.**) The USOE may authorize the service of lunch to such enrolled children who attend a school which does not offer a lunch program, provided the limit of not more than two meals and one snack per child per day is not exceeded.
- A child care center may utilize existing school food service facilities or obtain meals from a school food service facility, with a written agreement between the child care center and school. The center shall maintain responsibility for all Program requirements.
- Child care centers shall collect and maintain documentation of the enrollment of each child, including information used to determine eligibility for free and reduced-price meals. Head Start participants need

only have a Head Start statement of income eligibility, or a statement of Head Start enrollment from an authorized Head Start representative, to be eligible for free meal benefits. (See *Eligibility Guidance*.) Documentation of enrollment must be signed by a parent or legal guardian, and include information on each child's normal days and hours of care and the meals normally received while in care.

- Child care centers must maintain attendance records (sign-in/sign-out sheets) daily.
- Child care centers must maintain daily records of time of service meal counts by type (breakfast, lunch, supper, and snacks) served to enrolled children, and to adults performing labor necessary to the food service.
- Child care centers must require key staff, as defined by the USOE, to attend Program training prior to the center's participation in the Program, and at least annually thereafter, on content areas established by the USOE.
- Child care centers shall comply with the recordkeeping requirements established by the USOE. Failure to maintain such records shall be grounds for the denial of reimbursement.
- If so instructed by its sponsoring organization, a sponsored center must distribute to parents a copy of the sponsoring organization's notice to parents.

Child Nutrition (CN) Labels

Commercially prepared food products (such as chili, soup, chicken nuggets or corn dogs) served in CACFP must have either a product specification sheet or a Child Nutrition (CN) label, or be listed in the *Food Buying Guide*. Because commercially prepared foods contain unknown quantities of meat/meat alternate, fruit, bread and/or vegetables, having the specification sheet or a CN label is the only way to tell what the product contains. A CN label clearly identifies the contribution of a product toward the meal pattern requirements. Authorized CN labels are listed at:

www.fns.usda.gov/cnd/cnlabeling/authorized.htm (see *Building Blocks for Fun and Healthy Meals, Appendix M; USDA Food Buying Guide, Appendix C*).

Civil Rights

A variety of laws and policies protect the civil rights of various categories of people and prohibit discrimination against them. Federal assistance programs must be operated so that no one is discriminated against on the basis of specific characteristics.

The pertinent laws include the Civil Rights Act of 1964, Title VI (discrimination because of race, color, or national origin); the Education Amendments of 1972, Title IX (discrimination based on sex); the Rehabilitation Act of 1973, Section 504

and the Americans with Disabilities Act of 1994 (discrimination because of disability); and the Age Discrimination Act of 1975 (discrimination on the basis of age).

Civil Rights Complaint Handling Procedures

Civil rights complaints are written or verbal allegations of discrimination based on race, color, national origin, age, sex or disability. Any person claiming discrimination has a right to file a complaint within 180 days of the alleged discrimination.

A civil rights complaint based on race, color, national origin, or age may be received at the USOE, institution, or individual facility level, but it must be forwarded through the USOE to the USDA Regional Office. The regional office then forwards the complaint to the Civil Rights Division of the USDA. Complaints of discrimination based on sex or disability must be forwarded to the USOE for investigation and disposition.

All complaints, whether written or verbal, must be accepted by the institution and forwarded to the USOE. An anonymous complaint should be handled the same way as any other.

Complaint forms may be developed, but their use cannot be required. If the complainant makes the allegations verbally or in a telephone conversation and is reluctant or refuses to put them in writing, the person who receives the complaint must write up the description.

There must be enough information to identify the agency or individual toward which the complaint is directed and indicate the possibility of a violation. Every effort should be made to obtain at least the following information:

- Name, address and telephone number or other means of contacting the complainant.
- Specific location and name where the program service or benefit is delivered.
- Nature of the incident(s) or action(s) that led the complainant to feel there was discrimination.
- Basis on which the complainant feels discrimination occurred (race, color, national origin, age, sex or disability).
- Names, titles, and addresses of people who may have knowledge of the discriminatory action(s).
- Date(s) when the alleged discriminatory action(s) occurred or, if continuing, the duration of such action(s).

Civil Rights Compliance

The institution must retain a description of its civil rights compliance program, which must contain at least these elements:

- Public notification program.
- Data collection and reporting system.
- Compliance reviews.
- Complaint handling procedures.
- Resolution of noncompliance issues.

Civil Rights Compliance Reviews

The USOE will conduct civil rights compliance reviews before awarding funding as part of the ongoing monitoring process required by program regulations and on other occasions as necessary. Institutions should conduct similar compliance reviews in sites they sponsor (see the SO Site Monitoring form in *Supplementary Materials*). There are several types of compliance reviews.

Pre-award Compliance Review. The USOE will perform a pre-award desk review of program applicants to determine compliance with the civil rights laws. If an institution is found to be out of compliance, the USOE may not enter into the proposed agreement.

Similarly, an SO of unaffiliated facilities must perform a pre-award desk review of new facilities to determine compliance with the civil rights laws. If a potential facility is found to be out of compliance, the SO may not enter into the proposed agreement. Information required to be submitted as part of a facility's application includes:

- Copies of letters to parents, public notices and any other materials used to publicize program availability and nondiscrimination requirements.
- Data on the racial/ethnic makeup of the applicant facility's program service area and enrollment.
- Description of membership requirements for admission to the facility's service.
- Names of other agencies providing assistance to the facility and whether the applicant has ever been found out of compliance by those agencies.

Regular Compliance Review. Within one year following application approval and regularly thereafter, the USOE will include civil rights compliance reviews in its continuing monitoring of all institutions. When a review of an institution is performed, the questions listed below will be investigated as a minimum:

- Are approved and denied free and reduced-price applications maintained on file?
- Do denied free and reduced-price applications come from minorities in a way that is out of proportion to those enrolled in the institution?

- Is there a need for bilingual material or staff? If the need exists, how is it being addressed?
- What procedures are used to determine and process civil rights complaints?
- Do admission procedures restrict enrollment of minorities or other protected classes?
- Is the USDA poster prominently displayed?
- Do free and reduced-price application letters provided to parents or guardians of participants and potential participants contain the nondiscrimination statement and the procedure for filing a complaint?

Civil Rights Data Collection and Reporting

The institution must develop a method for annually collecting and reporting data on the actual number of children participating by racial and ethnic category. The data may be collected by an institution's official through observation or personal knowledge, or by voluntary self-identification by the applicant on the free and reduced-price application form. The information must be kept on file for three years after the current year. Procedures must be established to ensure that the information is made available only to authorized state and federal officials during reviews, or as part of surveys approved by the U.S. Office of Management and Budget.

The categories for reporting require a two-question format. If the parent checks the "other" box on the income eligibility form, the institution is required to collect the ethnicity and race of the child according to their best judgment. The categories are:

Ethnicity:

Hispanic or Latino

A person of Cuban, Mexican, Puerto Rican, South or Central American or other Spanish culture or origin, regardless of race.

Not Hispanic or Latino

Race:

American Indian or Alaskan Native

A person having origins in any of the original peoples of North and South America (including Central America) and who maintains tribal affiliation or community attachment.

Asian

A person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent, including Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand and Vietnam, etc.

Black or African American

A person having origins in any of the black racial groups of Africa.

Native Hawaiian or Other Pacific Islander

A person having origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands.

White

A person having origins in any of the original peoples of Europe, the Middle East, or North Africa.

Civil Rights Noncompliance Resolution

Probable noncompliance is a factual finding, based on a review or other monitoring process, that certain civil rights requirements are not being met by an individual or agency. Once probable noncompliance is found, steps must be taken immediately to obtain voluntary compliance. If corrective action has not been completed within 60 days of the finding, a noncompliance report must be submitted through the USDA Regional Office to the Civil Rights Division. Continued noncompliance may result in legal action.

Specific examples of discrimination and noncompliance with civil rights laws include:

- Exclusion of children from participation in facility nutrition programs on the basis of race, color, national origin, age, sex or disability.
- Disparate distribution of benefits and services to participants in programs.
- Differential treatment of a participant or group of participants on the basis of race, color, national origin, age, sex or disability in determining whether admission policies, enrollment, quota, membership, or other requirements of a program have been met.
- Separation of persons by different meal periods, seating arrangements, or the way food is served because of race, color, national origin, age, sex or disability.
- Failure to apply the same eligibility criteria for free or reduced-price meals to all persons participating within an institution.

Civil Rights Poster Display

At all centers, the nondiscrimination poster developed by the USDA must be displayed in a prominent place, visible to the public. (This poster is regularly distributed to all institutions.) Substitute posters must be approved by the USDA.

Civil Rights Public Notification Program

Each institution has specific responsibilities with respect to public information about its program. Parents or guardians of children participating in the program and local minority and grassroots organizations must be informed of the availability of program benefits and services, the nondiscrimination policy, and all significant changes in existing requirements that pertain to program eligibility and benefits.

Grassroots organizations are defined as any of those at the local level which interact with potential participants, such as community programs, civic organizations, migrant groups, churches, and neighborhood councils, local chapters of the National Association for the Advancement of Colored People (NAACP), National Council of La Raza (NCLR), or similar groups.

The institution must also make available to the public, and to participants and potential participants in the program, upon request, information about program requirements and the procedures for filing a discrimination complaint in English and/or the appropriate language if the participants or potential participants do not speak English.

All forms of communication and printed program information, including the free and reduced-price notification letters and public press releases, must include the following statement:

"In accordance with Federal law and U.S. Department of Agriculture policy, this institution is prohibited from discriminating on the basis of race, color, national origin, sex, age, or disability.

To file a complaint of discrimination, write USDA, Director, Office of Adjudication, Whitten Building, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410 or call (866) 632-9992 (voice). Individuals who are hearing impaired or have speech disabilities may contact the USDA through the Federal Relay Service at (800) 877-8339 or (800) 845-6136 (Spanish). USDA is an equal opportunity provider and employer."

When space prohibits the use of the full, lengthy statement, the following short statement may be used:

This institution is an equal opportunity provider.

The short statement may be used on posters, outreach materials, and the like, where such things as graphics make it impractical to use the long statement (usually on materials less than a page in length). The statement should be in the same font size as the body of the document.

Claim for Reimbursement

The claim for reimbursement must be completed and submitted to the USOE no later than the fifth working day of the month following the month being claimed. Reimbursement rates are rounded to the nearest dollar. Claims are submitted via

CNPweb. Once on the CNPweb page (<http://cnpweb.schools.utah.gov/cnpweb/Login.asp>), select the “claims” tab and click “add” to create the claim. Enter the claim information by site, then go back to the main sponsor claim and review the data. When the claim is correct, click on the box on the bottom of the sponsor claim to certify the information and submit it for payment by the USOE.

Claim Period

The claim for reimbursement for any month must cover only program operations for that month. A claim for reimbursement must be submitted to the USOE not later than 60 days following the last day of the full month covered by the claim. (See **Claims and Reports.**)

Late Claims

Institutions must submit claims to the USOE within 60 days following the last day of the month being claimed. The USOE may grant a one-time exception for an original claim submitted after the 60-day period. The exception is at the discretion of the USOE, and may be granted no more frequently than once every three years. To receive the exception, the event which caused the claim to be late must be within the institution’s control and must include a written corrective action plan. (See **Administrative Review Procedures for Institutions.**)

Revised/Amended Claims

During the course of the year, it may be necessary to revise previously submitted claims. Such revised claims must be submitted within 90 days after the end of the month to which they apply.

The USDA may grant an exception for an upward-amended (claims which add meals or increase the reimbursement) claim received later than 90 days after the end of the month amended. A formal request must be made to the USOE and will be forwarded to the USDA for approval. This formal request must address the problem contributing to the need for the amendment and outline the actions to be taken to avoid future late amended claims. Downward amendments (claims which reduce meals or reimbursement) are accepted at any time.

To submit a revised claim in CNPweb, click “revise” for the month in which the numbers are incorrect. Enter the correct numbers on the site claim. Review the numbers on the sponsor page and if correct, certify the submission. USOE will receive and review the claim and issue the payment or subtract the over claimed meals from the next payment.

Claims Against Institutions

The USOE will disallow any portion of a claim for reimbursement and recover any payment to an institution that is not properly payable. USOE will notify the institution of the reasons for any disallowance or demand for repayment, and allow the institution full opportunity to submit evidence during the administrative review (appeal). The USOE does not establish claims directly against sponsored facilities. Rather, the USOE may determine that a reimbursement was improperly made to a facility by the SO and assert a claim against the SO. (See **Administrative Review Procedure for Institutions.**)

Corrective Action

If an institution (or facility) is found to be out of compliance with program requirements in operation or administration of the program, corrective action will be required. The time frames for compliance and follow-up will be determined by the USOE on an individual basis. Requirement to implement a corrective action related to program compliance is not an issue for administrative review. Continuing failure to implement a required corrective action may be determined to be a serious deficiency. (See **Disqualification** and **Serious Deficiency.**)

Cost of Food Service Operation

Institutions must keep records of food service costs to document nonprofit operation of the program and to substantiate records of meals served. (See **Allowable Costs.**)

Creditable Foods

Creditable foods are those foods which meet meal pattern guidelines for the program. It is the responsibility of the facility to prepare and serve meals which meet meal pattern requirements using creditable foods. (See *Crediting Foods; Food Buying Guide.*)

D

Denial of Institution Application

The USOE may not enter into an agreement with an applicant institution which has been determined to be seriously deficient in its operation of any federal program unless, with FNS agreement, it has been determined that the deficiencies have been corrected.

The USOE may not enter into an agreement with any institution included on the list of ineligible institutions and must terminate any participating institution included on the list within 30 days of the receipt of notification by FNS of the institution's ineligible status. Any other institution which is identifiable with a seriously deficient institution through its corporate organization, officers, employees, or otherwise must also be considered to be ineligible unless it is demonstrated to the satisfaction of the USOE and FNS that good cause exists for considering the institution distinct from the seriously deficient institution. (See **Serious Deficiency**.)

Disabilities

Institutions are required to make substitutions of foods at no extra charge for participants with disabilities who are unable, because of their disabilities, to consume specified food items. A statement must be provided, signed by a licensed physician, stating (1) the individual participant's disabling condition and/or the condition restricting the diet, (2) the major life activity affected by the disability, and (3) the food or foods to be omitted from the diet and those to be substituted.

Parents or guardians must provide sufficient information about a participant's disability to allow correct assessment and appropriate substitutions. There is no upper age limit on the person being claimed except that a majority enrolled in the institution must be 18 years of age or under.

A person with disabilities is any person who has a physical or mental impairment which substantially limits one or more major life activities, or has a record of such impairment. Such functions as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning, and working are major life activities. (See **Special Dietary Needs**.)

Disciplinary Action

Denying meal benefits as a disciplinary action is prohibited. Detention of a participant which results in his/her not participating in the (full) meal period is

also contrary to the intent of the program. Delaying meal service as punishment is not allowed.

Disclosure of Eligibility Information

Except under limited circumstances, children's free or reduced-price meal eligibility may not be disclosed without parent/guardian consent, except to persons directly connected to certain education programs, health programs, means-tested nutrition programs, the Comptroller General of the United States and some law enforcement officials. Disclosure of eligibility information to persons directly connected with the state Medicaid and the state Children's Health Insurance program is allowed when parents/guardians do not decline to have their information disclosed.

The rules for disclosure of eligibility information are contained in 7 CFR 226.2, 226.23(e) and (i)-(n). A Memorandum of Understanding may be used to facilitate sharing information and to detail the penalties for the misuse of information. Contact the USOE for specific directions if being asked to release eligibility information.

Disqualification

Disqualification means the institution and responsible principals and responsible individuals are ineligible for program participation for seven years from the date of disqualification or until any debt owed to the USDA is repaid. Disqualified responsible principals and responsible individuals will be added to the nationally disqualified list and disallowed from participation in CACFP in any other institution or as a family day care home.

Donated Food

Food donations will no longer count towards reimbursable meals, with the exception of food served by the Utah Food Bank and food served at emergency shelters. In child and adult care centers, food must be purchased and is the primary use for reimbursement funds. If food items are donated, they may be used as "extras," or items which do not count towards a reimbursable meal.

In emergency shelters and at food bank locations, donated items must be documented with a description of the item, the market unit, the amount donated, the estimated value, the donor name, contact information and donor's signature. Donation records must be kept on a ledger along with receipts so food served at meals can be traced back to the source. A sample donated food record is available from the USOE.

E

Eligibility to Claim

For-profit child care centers may only claim reimbursement for calendar months when at least 25 percent of enrolled participants or license capacity were qualified for free or reduced-price meals or were Title XX beneficiaries.

Eligible Adults

Adults enrolled in day care are eligible for reimbursement of meals if they are:

- Enrolled for care.
- 60 years of age or older.
- Functionally impaired (see **Functional Impairment**) at any age when the majority of enrollees at the Institution are 60 years of age or over.
- Not claimed under Part C of Title III of the Older Americans Act of 1965.

Eligible Children

Children enrolled in child care centers are eligible for program participation (reimbursement of meals) if they are:

- 12 years of age or under.
- Children of migrant workers 15 years of age or under.
- Children through age 18 who are residents of emergency shelters or homeless (including those seeking shelter without their families).
- Disabled at any age when the majority of enrollees at the Institution are 18 years of age or younger.

The center may only claim meals for eligible children who are not being claimed for the same meal by another facility or institution or another child nutrition program (School Lunch, School Breakfast, or Summer Food Service Program). If a school-age child is being claimed during a school day, the reason must be documented (the school was on holiday, the child was out of school early, etc.).

Emergency Shelters

All emergency shelters must comply with **Institution Requirements** except as noted in this section. The term “emergency shelter” means a facility of which all or a part is used or designated to be used to provide temporary housing. Shelters must comply with applicable state or local health and safety codes; serve meals that meet the USDA nutritional standards; and claim reimbursement only for meals served to eligible residential children.

Eligible children include children through the age of 18 who are homeless, who are seeking shelter with or without their families, and who are residents of the

shelter. Emergency shelters are allowed to claim reimbursement for serving each eligible child up to three meals or two meals and one supplement each day. Emergency shelters are reimbursed at the free rate for all children, without obtaining income eligibility forms. Homeless sites and shelters for battered women and their children are not required to issue the yearly public media release.

Shelters must maintain a daily roster of children receiving meals, a record of the menu, production records and a meal count for each meal service.

Emergency shelters that operate after-school care programs with education or enrichment activities for homeless children and youth during the regular school year are eligible for "At-Risk After School Snacks" under CACFP (even if the shelter is not located in a school attendance area where at least 50 percent of the enrolled students are eligible for free and reduced-price meals). At-Risk After-School Snack Program participation requires an additional attachment page be completed as part of the application. Contact the USOE for more information.

Enrollment Information

Enrollment forms must contain the full name, birth date, enrollment date, contact information, and parent signature for all children enrolled in the center and claimed for meals. In addition, there must be information for each child concerning normal days and hours in care, and normal meals to be received, with a parent or guardian signature. Enrollment in adult care centers is only required upon original enrollment; enrollment records are not required in ASSP, OSHCC and shelters.

Even Start

Children enrolled in the federally-funded Even Start Family Literacy Program at the pre-kindergarten level are categorically eligible for free meals. To document a child's eligibility, a program official may present an approved application for the child's family, a statement of enrollment in the program or a list of participating children and confirmation that the children have not yet entered kindergarten. Children must be re-certified annually. When a child enters kindergarten, categorical eligibility ends and standard procedures must be used to establish the child's eligibility. Categorical eligibility does not apply to other family members. When a child is no longer categorically eligible for free meals under Even Start criteria, the child's family may complete a free and reduced-price meal application to determine continued eligibility.

F

Facility Agreement

Facilities that are part of the same legal entity as the sponsoring institution do not need a formal agreement with their parent institution. However, if sponsored facilities are not part of the same legal entity (the sponsor must be a public or private nonprofit institution), there must be a formal agreement between the SO and the facility which stipulates the rights and responsibilities of each. The agreement may be permanent, but application and licensing information must be renewed annually.

Facility Claim

The SO is responsible for making sure the facility's claim is accurate and is responsible to the USOE for errors that might cause under- or over-reporting. The SO must be assured the following requirements are met:

- Reimbursement may not be claimed for more than two meals and one snack or two snacks and one meal per child per day.
- A child enrollment form must be on file for each child whose meals are claimed for reimbursement. The enrollment form must be signed by a parent or guardian, note the normal days and hours of care and the meals which the child will normally receive.
- Attendance records (sign-in/sign-out sheets) must be maintained daily.
- Point of service meal records must be available for every meal claimed for reimbursement.
- Menus must meet program meal pattern requirements.
- Reimbursement must not be claimed for meals served to children in excess of the facility's approved capacity.
- Only meal types specified in a facility's approved application may be claimed for reimbursement.
- A special diet statement or disability statement signed and dated by a recognized medical authority must be on file for any child with a special diet requirement whose meals are claimed. (See **Disability**.)

For sponsored facilities not part of the same legal entity, the SO must notify the facility of the schedule for claims submission. If the SO has established a time limit for submission of claims, that time limit must be stated by the SO. When establishing a time limit for claim submission, the SO should consider internal processing time lines as well as the USOE's time lines for submission of SO claims for reimbursements. (See also **Claim for Reimbursement**.)

Facility Reimbursement

Facilities that are part of the same legal entity as the SO may not need to formally receive reimbursements from the parent institution. However, if sponsored facilities are not part of the same legal entity, the facility has the right to receive, in a timely manner, the full food service rate for each qualified meal served to enrolled children for which the SO has received payment from the USOE. The only allowable deduction from a facility's reimbursement would be for the agreed-upon and the USOE-approved costs of program administration. SOs must disburse reimbursement payments for food service to their participating facilities who have submitted valid claims within five working days of receipt of funds from the USOE.

Checks that have been issued to facilities which are not cashed within six months should be voided and reissued or the funds returned to the USOE. The time period begins on the date the check is written, as shown on the check. (See also **Claim for Reimbursement.**)

Facility Termination

If an SO terminates a facility for cause, the circumstances surrounding the action should be carefully documented. Causes for termination include, but are not limited to:

- Failure to keep records or chronic record-keeping errors.
- Meals not meeting program meal pattern requirements.
- Number of children claimed is greater than the number of children enrolled.
- Number of meals claimed is greater than the number of children in attendance.
- Participation under more than one SO at the same time.
- Facility not open for monitoring visits.
- Revocation of license.
- Noncompliance with civil rights requirements.

Documentation is to be furnished to the USOE, including a copy of the letter to the facility. (See **Administrative Review Procedures for Facilities.**)

Facility Training

New key staff (owners, executive officers, directors, administrators and cooks) hired at institutions which have been approved to participate are required to attend USOE training. The training is currently offered once each month. The morning session covers the administrative aspects of the Program and the afternoon session covers the operational aspects of the Program.

Key staff at all facilities are required to attend annual program training as offered by the SO. All training must be documented with an agenda which specifies the date(s) and time(s) of training and the key topics covered. A sign-in attendance sheet also needs to be kept to document facilities' staff attendance.

Key topics of training include meal patterns, meal counts, claims submission, and record keeping requirements. (See **Key Staff**, and **Key Training Topics**.)

Facility Withdrawal Rights

There are no formal requirements for how a facility may withdraw from participation in the program with an SO. A facility may withdraw from participation in the program by informing the SO of the desire to terminate the agreement or may simply discontinue submitting claims. The SO must notify the USOE of the facility's withdrawal from participation.

Family or Others Providing Food

When parents or others provide foods for meals for 1-12 year olds, the center must supply at least one required component to claim the meal. If the parents provide an additional food (such as cake) for lunch or snack, such foods should be served after the required components to help ensure that participants' nutritional needs are met. All relevant requirements of the Department of Health must also be followed, including the requirement that items must be store-purchased. When components are supplied for infant meals, unless formula or breast milk is the only required component, an infant waiver must be in place. (See **Breast Milk** and **Infant Meal Pattern and Guidelines**.)

Family-Style Meal Service

In family-style service, containers with enough food to accommodate all children with at least the serving amounts required by age are placed on the table. The children, with adult supervision and assistance, serve themselves. Unlike cafeteria lines or pre-plated meals, family style affords some latitude in serving because food is available at the table for additional helpings. However, service must comply with the following guidelines:

- Enough food must be placed on each table to provide required portions of all foods for all children, and enough to feed program adults supervising meal service at the table.
- The required portion must initially be offered to each child.
- When the required portion size is not initially served, supervising adults must encourage the children to accept more during the course of the meal.
- Point-of-service meal count records are required for meal reimbursement.

Fast Food and Restaurant Meals

Meals containing components from restaurants will not be considered creditable under CACFP unless a product analysis sheet is provided by the restaurant or its corporate office. This applies to meals served in the center or meals served on field trips.

The product analysis sheet for each food item used to meet the CACFP meal pattern must include: 1) food item, 2) serving size, and 3) detailed listing of creditable component serving size. All field trip meals must be pre-approved by the SO and the USOE prior to service.

Field Trips (Off-Site Meals)

Meals are to be served and eaten at the center. Meals served on center-supervised field trips may be reimbursed when they are eaten as part of a day-care function. Off-site meals must be approved by the SO and the USOE prior to service. Field trip request should be submitted no later than one week prior to the intended trip. Meals served off-site are subject to stringent sanitary measures to avoid contamination and spoilage. Documentation must be maintained by the sponsor and institution to document prior approval.

Financial Management System

The institution is responsible for maintaining full and accurate records in accordance with generally accepted accounting principles.

Records include:

- All income accruing to the food service program (payments by children and adults, federal reimbursement, interest earned, and any other income).
- Itemized receipts for all food and non-food items purchased for the program.
- Itemized receipts for labor, capital outlay, and program expenditures other than food.
- The value of any donated services, and gifts of any type. Donated food does not count towards reimbursable meals (program food must be purchased).

Food Service Management Companies

Institutions may contract with a food service management company (FSMC) for meal service. An institution which contracts with an FSMC remains responsible for ensuring that the food service operation conforms to USDA requirements.

Purchasing of meals from food service management companies must adhere to procurement standards. Public institutions must follow applicable state or local

laws governing bid procedures. Institutions with contracts in excess of \$50,000 a year must formally advertise for such contracts and comply with specified procedures intended to prevent fraud, waste, and program abuse.

Institutions interested in acquiring the services of a FSMC should contact the USOE for guidance and assistance. The USOE must approve all bid documents and contracts prior to their use.

FSMC procurement requirements can be found in 7 CFR 226.21-22, 7 CFR 3016 and 3019. Institutions must put out an invitation to bid (they cannot just hire a restaurant or company to provide the meals) and all procurement documents must be approved by USOE prior to their use.

Free and Reduced-Price Policy

When applying for program participation, Institutions must submit a written policy statement concerning nondiscrimination and free and reduced-price meals to be used uniformly in all facilities under its jurisdiction. Institutions will not be approved for participation nor agreements renewed unless the free and reduced-price policy statement has been approved. (See *Eligibility Guidance*.)

Non-Pricing Programs

In a non-pricing program, meals are served at no separate charge. Therefore, the policy must provide assurance to the USOE that all participants will be served the same meals at no separate charge, regardless of race, color, national origin, sex, age, or disability and that there will be no discrimination in the course of the meal service. (See *Eligibility Guidance*.)

Pricing Programs

In a pricing program, there is a separate charge made for meals. Therefore, a policy must be approved by the USOE that describes how eligibility for free and reduced-price meals will be determined, what the eligibility criteria will be, how applications will be solicited and accepted, how payment will be collected, what the appeal procedure will be if benefits are denied, and how nondiscrimination will be assured. (See *Eligibility Guidance*.)

Functional Impairment

“Functionally impaired adult” means disabled persons 18 years of age or older, including those with Alzheimer's disease and related brain disorders, who are impaired to the extent that their ability to carry out activities of daily living is limited. Activities of daily living include cleaning, shopping, cooking, taking public transportation, maintaining a residence, or caring appropriately for one's grooming or hygiene. Limitations refer to the severity of impairment and occur when the limitation interferes with the ability to function independently.

G

Grains and Breads

For any grain product to be creditable for use in CACFP, one of the following conditions must exist:

- The first grain ingredient must state “whole-grain” or “enriched” on the product label and/or the ingredient statement.
- The first ingredient listed is bran or germ.
- Cereals contain the word “fortified” on the label.
- Ingredient statement shows the primary grain ingredient is either whole grain, enriched flour or meal.
- Cereal manufacturer documentation provides the gram amount of creditable grains per serving.

Examples of creditable grain foods from the ingredient label include whole wheat, enriched flour or whole corn. Examples of non-creditable grain foods are those with ingredient labels including the words “corn,” “flour,” “wheat flour” and “de-germinated cornmeal.”

The USOE has obtained information from manufacturers of corn-based grain products on behalf of institutions operating the CACFP. Specification sheets may be obtained from the manufacturer or from the USOE. When using a corn-based grain product to meet the grains or bread component, assure the product specification sheet or the manufacturer’s statement shows the product is manufactured with whole corn or enriched corn. Products made with labels indicating the primary ingredient is corn meal or corn flour are not creditable.

Corn-based grain products manufactured using whole grains include the following:

<u>Manufacturer</u>	<u>Products</u>
ConAgra Foods	Rosarita taco shells
Frito Lay	Doritos, Fritos, Santitas, Tostitos
General Mills	Pancho Villa, Old El Paso
Hacienda Foods	Tortillas del Rancho corn tortillas
La Flor De Salt Lake	All corn-based products
Manuel’s Fine Foods	Don Julio corn tortillas, corn chips and taco shells
Mission Foods	Corn tortilla chips and taco shells
Rico	All corn tortillas and corn chips

(See **Creditable Foods** and *USDA Food Buying Guide*.)

I

Income Eligibility

Income eligibility must be determined for families of enrollees who apply for free or reduced-price reimbursement. The institution determines the family size and income using current income eligibility guidelines (which change every July 1st) to determine eligibility. (See *Eligibility Guidance*.)

Income Eligibility Form

Forms are distributed each year by the USOE and Centers must use the current year forms. All the required information must be completed by the family prior to the Center evaluating the form for eligibility. The forms are available in many different languages. If a language other than English or Spanish is needed, visit USDA's web:

http://www.fns.usda.gov/cnd/Care/Benefit_Forms/Translations.htm (See *Eligibility Guidance*.)

Income Eligibility Form Approval

A complete IEF should be approved or denied by the institution by the end of the month in which it was received. Meals may be claimed for the participant from the beginning of the month in which the IEF is approved. An IEF is valid for one year from the month in which it is approved. Institutions may choose a particular month(s) to renew all IEF's or renew them on a rolling basis as they expire. (See *Eligibility Guidance*.)

Income Eligibility Form Maintenance

Original IEFs are to be maintained at the institution's office. IEFs should be filed alphabetically by family's last name. Terminated families' IEF's should be kept in a separate file in alphabetical order. IEFs must be kept for three years after the year to which they apply. (See *Eligibility Guidance*.)

Infant Meal Pattern and Guidelines

All CACFP institutions must offer infant meals if they provide infant care. An infant's family must be notified of the right of their child to receive meals because the facility participates in CACFP. If the child is in care during the meal service period, the facility must offer the infant a meal that complies with program requirements.

Infant meal patterns must contain either parent-supplied breast milk or a creditable iron-fortified formula. A list of iron-fortified formulas which are creditable can be found at:

<http://www.fns.usda.gov/cnd/Care/Regs-Policy/infantmeals/FormulaList.htm>

The list is not all-inclusive. The product must state “iron-fortified” on the label and must contain 1 milligram or more of iron per 100 kilocalories.

If a medical statement signed by a medical authority requires a different type of formula for a specific child, the center must provide the type of formula prescribed (see **Medical Exceptions**).

If the parent supplies formula, it must be iron-fortified in order to be claimed for CACFP (or a medical exception must be signed by a physician). If a parent provides a formula that is not creditable, the meal is not reimbursable. If the parent does not want the infant to receive the type of formula offered by the center, he/she must sign a waiver to so indicate. If 100% of parents or guardians of enrolled infants decline the formula or meals offered by the center, household contacts would be triggered and conducted by sponsoring organizations and/or the USOE. If an infant’s parent or guardian declines the formula being offered by the center and chooses to supply formula for his/her child, such a choice may not affect the fees paid for care.

If the parent signs the waiver, and provides a creditable infant formula, the center may still claim the infant meal (even if formula is the only meal component). If the center has infants who are receiving more than formula as part of the required meal pattern (8-12 months), and the parent supplies the formula and/or other creditable meal components along with a signed waiver, a minimum of one other meal component must be supplied by the center in order to claim the meal.

The CACFP infant meal patterns take into consideration that infants develop at different paces. Some infants are developmentally ready for solid foods earlier than others. The breakfast and lunch/supper meal service for infants 4-7 months of age, and for the snack meal service for infants 8-11 months of age have variable components. If a child is developmentally ready for these solid foods, and the parent or guardian requests that the infant is served solid foods, the components are no longer considered as options and should be served to the infant to provide optimal nutrition.

If the mother comes to the day care center to nurse her infant, the center must provide at least one other component for the meal to be reimbursable.

Commercial combination meals served to infants or children are not creditable. Only single-ingredient infant food is creditable.

Baby food products containing docosahexaenoic acid (DHA) cannot be served to infants as part of the reimbursable meal. DHA products contain ingredients that may not be appropriate for an infant younger than 8 months of age. Introducing these “dessert-like” ingredients into an infant’s diet at an earlier age could result in a food sensitivity or allergy. They may be served as additional foods (cannot contribute to the meal pattern) to infants 8 months of age or older. Since they contain several ingredients, additives, or extenders that could cause allergic reactions, we recommend that the center check with the infant’s parent or guardian before serving them. (See *Feeding Infants*.)

Institution Requirements

Institutions must be public, or have documentation of tax-exempt status under the Internal Revenue Code of 1986 or be currently operating another federal program requiring nonprofit status, except for-profit centers and sponsoring organizations of such centers.

Each institution must accept final administrative and financial responsibility for program operations. No institution may contract out for management of the program.

All institutions must meet the following requirements:

- Each institution (except adult day care centers) must ensure that parents of enrolled children are provided with information on the benefits of the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) and the eligibility requirements for WIC participation. Each institution is required to post the WIC flyer in a conspicuous area. In addition, the information may be distributed with enrollment packets. The WIC flyer is available in English and Spanish from the USOE.
- Each institution must display the “Building for the Future” poster in a conspicuous location. The poster explains the benefits of the CACFP for parents and guardians. The poster is available in English and Spanish from the USOE.
- The institution must make a good faith effort to maintain a drug-free workplace in compliance with the Drug-Free Workplace Act of 1988.
- Institutions must display the “And Justice for All” poster in a conspicuous location. The poster explains that the CACFP is free from discrimination based on race, color, national origin, age, sex or disability and provides an address to contact with complaints. (See **Civil Rights**.)
- Institutions must have enrollment forms on file and have the forms annually updated and signed by the parent or guardian for each participant. The form must include the normal days and hours in care and meal services received by each child.

- Institutions must gather and maintain attendance records for all participants.
- Institutions must gather and maintain documentation of participant eligibility status for free or reduced-price meals. (See *Eligibility Guidance*.)
- Institutions must maintain daily records of the number of meals by type (breakfast, lunch, supper and supplements) served to enrolled participants, and to adults performing labor necessary to the food service. Institutions participating in the program may serve breakfast, lunch, supper and/or supplements (snacks). Reimbursement may not be claimed for more than two meals and one supplement or two supplements and one meal per participant per day (see **Emergency Shelters**).
- Institutions may utilize school food service facilities or obtain meals from a school food service facility. There must be a written agreement between the institution and the school. The institution remains responsible for all program requirements. If obtaining meals from a school participating in the National School Lunch Program, meal compliance may be met as described in 7CFR Part 210 in lieu of 7CFR Part 226.
- An institution may claim only the meal types specified in its application.
- Reimbursement may not be claimed for meals served in excess of the institution's authorized capacity.
- Menus and production records and receipts must be maintained to document meal compliance (see **Meal Accountability** and **Facility Claim**).
- The institution is required to offer annual program training for all key program staff. Training must be documented with an agenda specifying the date(s) and time(s) of the training and the topics covered and include a sign-in attendance sheet.
- The institution must provide adequate supervisory and operational personnel for management and monitoring of the program.
- The institution must establish procedures to collect and maintain all program records. (See **Record Keeping**.)
- The institution must have policies addressing outside employment of employees (a sample policy is available from the USOE).
- The institution must have procedures for handling complaints of discrimination (a sample policy is available from the USOE).
- The institution must provide yearly civil rights training and maintain records to show all staff have received training (sign-in sheet, agenda, date of training).

J

Juice

CACFP guidelines permit only 100% juice to be served as part of the meal or snack. Only pasteurized juice may be used. The concern about unpasteurized or untreated juice, such as apple juice, cider and orange juice, is based on outbreaks of food-borne illnesses caused by microorganisms present in these unpasteurized or untreated products. Children, the elderly and persons with weakened immune systems are at risk for serious illness, and even death, caused by these harmful microorganisms. Unpasteurized or untreated juice is often referred to as “natural juice.” (see *Food Buying Guide*.)

K

Key Staff

For the purpose of the food program, key staff is defined as all persons who work with the CACFP or food service in any capacity. This includes the owner, directors, executive officers, partners, administrators, cooks and teachers (who take meal counts or supervise during the meal period).

Key Training Topics

At a minimum, key topics include program meal patterns, meal counts, claim submission, review procedures (for sponsors), record-keeping requirements and the reimbursement system. Training must be given at least annually on these topics appropriate to the level of staff experience and duties.

L

LDS Church Missionaries

Missionaries living away from home are considered part of the economic unit of a family applying for free or reduced-price meals and should be included in the household size.

License/Approval Requirement

Sponsoring organizations must submit to the USOE documentation that facilities operating under its sponsorship are in compliance with licensing requirements. Independent day care facilities must submit such documentation to the USOE. The USOE will annually review licensing documentation; in situations where the USOE has information that licensing or approval will be denied, participation will be terminated until licensing is obtained/renewed.

If, during a program review, the USOE observes violations of applicable health, safety, or staff-child ratio standards, or attendance in excess of licensed capacity, the USOE will promptly refer such violations to the licensing authority. The USOE will deny reimbursement for meals served to participants in excess of authorized capacity.

Child care centers and outside-school-hours care centers exempt from licensing as public or parochial education institutions must submit alternate information to establish eligibility for the program. In these situations, independent centers and sponsoring organizations, on behalf of their facilities, must demonstrate compliance with Utah Department of Health child care standards by completing the USOE self-certification checklist and obtaining annual health/sanitation and fire/safety certification by local authorities. Alternate approval is not available to adult day care centers or organizations (such as preschools) that do not fit the definition of child care. The USOE has a self-certification checklist available for center use.

The USOE, when conducting program reviews of child care centers and outside-school-hours care centers approved under these procedures, will determine compliance with the child care standards used to establish eligibility.

If there are violations that are not corrected, the USOE must declare the institution seriously deficient in operation of the program and require corrective action. If corrections are not made, the USOE must notify the institution of its intent to terminate the institution from participation in the program and disqualify the institution and its principals from future participation. If there is imminent threat to the health or safety of the children or the public, the USOE will

immediately suspend participation of the institution and declare its intent to terminate participation of the institution and disqualify the institution and its principals from future participation. (See **Denial of Applications and Termination of Institutions** and **Serious Deficiency** and **Administrative Review (Appeal) Procedures for Facilities**.)

License Capacity

Reimbursement may not be claimed for meals served in excess of the institution's approved capacity. It is the institution's responsibility to control enrollment so that capacity is not exceeded. Although there may be occasions beyond the immediate control of the institution (late arriving parents, bad weather, etc.) when some slight violation occurs for a short time, chronic overcapacity is a serious deficiency and a corrective action plan must be implemented.

M

Management Plan

The management plan describes how the institution will establish and maintain viability, capability and accountability. Capability is exhibited in information telling how the institution ensures compliance with federal regulations. The plan must detail how the institution will be accountable for federal funds in its operation and the disbursement of facility reimbursements. Changes to the management plan must be submitted to the USOE for approval. Every three years, a management plan renewal will be required from all institutions.

Master List

Each institution must keep a master list of participants who are enrolled and have attended at any time during the month. This list must indicate the benefit category of each child and the enrollment renewal data. (See *Forms*)

Meal Accountability

Institutions must maintain auditable records to document eligibility of meals claimed for reimbursement. Minimum records include (1) point of service participation counts, (2) complete meal production information, and (3) food purchase documentation.

Meal Count

An accurate meal count by participant must be taken at the point of service for each meal. (See *Forms*)

Meal Planning

Institutions must plan for and order meals on the basis of usual participation, with the objective of providing one meal per participant at each meal service. Records of participation and meal production must be maintained.

In recognition of changes in participation levels which make it difficult to estimate the number of meals needed, excess complete meals that are ordered or prepared may be served to participants and may be claimed for reimbursement. If the USOE determines that the institution failed to plan and prepare or order meals with the objective of providing only one meal per participant at each meal service, the meals may be disallowed.

Meal Production Records

The program requires records to show meal compliance. The Menu and Production Record form must be used for all meals served. (Use of other forms

requires USOE approval.) Production records must show compliance for all meals claimed for reimbursement and document foods served at meals which are not claimed for reimbursement. (See *Forms*.)

Pre-planning. The Menu and Production Record form is designed as a preplanning tool to help determine the menu and quantities of food needed to meet meal requirements. It is suggested that at least five days be planned in advance at all times.

Nutrients. Following the “Dietary Guidelines for Americans” is expected. Special emphasis is placed on lowering fat, cholesterol, sugar, and salt and increasing fiber in the menu for all meals.

Food-Buying Guide and ***Utah Simplified Food-Buying Guide***. The USDA’s *Food Buying Guide for Child Nutrition Programs* and the *Utah Simplified Food-Buying Guide* are to be used in determining quantities of food to prepare.

Actual Usage. The Menu and Production Record form is used to document program operations. It must include:

- The menu.
- Pre-planned quantities of food.
- Substitutions.
- Foods which establish meal compliance.
- A record of foods used, recorded by purchase unit (pound, can size, etc.).
- Portion sizes of all menu items.
- The number of servings planned.
- The total amount of food items actually prepared.
- The number of children in each age group and adults served.

Meal Times and Places

Meals must be served at approved sites and during the hours and days shown in the program management plan and the site application and plan. Meal types are expected to be served during the times shown below. An institution may request a waiver from these times under certain conditions (such as children attending kindergarten and not being able to return in time for meals).

Breakfast	6:30 a.m. – 9:30 a.m.
Morning Snack	9:30 a.m. – 11:00 a.m.
Lunch	11:00 a.m. – 1:30 p.m.
Afternoon Snack	2:00 p.m. – 4:30 p.m.
Dinner	4:30 p.m. – 7:00 p.m.
Evening Snack	7:00 p.m. – 9:00 p.m.

At least two hours must elapse between beginning times of meals or snacks for the same group of children. The program management plan and the site plan should be updated when the facility finds it necessary to change meal service times. There are special requirements for after-school snack programs. (See *ASSP Manual*.)

Meal Pattern Exceptions

Meal requirements may be varied for medical exceptions for individual dietary problems, or exceptions due to religious reasons. Information must be kept on file to document all exceptions.

Emergencies

If unusual or emergency conditions temporarily prevent a facility that normally has a supply of acceptable milk from obtaining it, USOE may approve use of an alternate form of milk or even no milk. The facility is to make the request to the USOE for approval. Documentation of the situation must be maintained.

Medical Exceptions

Substitutions must be made in the meal pattern if participants are unable, because of a disability, to consume specific foods. A statement signed by a licensed physician must be maintained on file to document the disability and the foods to be omitted and substituted. Accommodations must be made according to the physician's statement for any child with a disability.

Food substitutions may be made for children who do not have a disability but who are medically certified as having a special dietary need. These substitutions may only be made on a case-by-case basis, supported by a statement from a medical authority with the food(s) to be substituted specified. A medical authority is defined as a physician, registered dietitian, physician's assistant, or registered nurse or nurse practitioner. (See also, **Disabilities, Milk, Forms** "Special Diet Statement.")

Special Exceptions

Meals served to Jewish children may be exempted from the enrichment of the bread requirement during the religious observance of Passover. Other variations in the meal pattern may be made in accordance with Jewish dietary laws. Contact the USOE for a copy of FNS guidance on this issue.

Media Release

Institutions must annually send a public release announcing the availability of program meals and its free and reduced-price meal policy to media serving the area from which the institution draws its attendance. The institution is not required to pay for publication of the announcement. The USOE issues the media

release annually on behalf of renewing institutions. (See *Eligibility Guidance, Civil Rights Public Notification Program.*)

Military Families

A deployed service member should be considered a household member living apart on a temporary basis for the purpose of determining household income and size. Only that portion of the deployed service member's income made available to the household will be counted as income.

Combat pay is to be excluded from household income if it is received in addition to the service member's basic pay, received as a result of the service member's deployment to or service in an area that has been designated as a combat zone and was not received by the service member prior to deployment to or service in the combat zone. Deployment Extension Incentive Pay (DEIP) is also excluded from income when the service member is deployed (not serving at their home station). When they return to their home station, DEIP is counted as income. (See *Eligibility Guidance.*)

Milk Standards

Milk means pasteurized fluid types of unflavored or flavored milk, including low-fat milk, fat-free milk, lactose free or cultured buttermilk which meet state and local standards. All milk must contain vitamins A and D at levels specified by the Food and Drug Administration. The type of milk does not affect the reimbursement rate. However, institutions are responsible for making sure that the milk claimed for reimbursement meets state and local standards.

Whole milk should be served to children age 1 to 2 years. Fat free or low fat milk should be served to older children. Whole milk and reduced-fat (2%) milk may not be served to participants over two years of age.

The state sanitation code prohibits serving reconstituted dry milk in public eating establishments except as an ingredient in something cooked. If fresh milk is not available, ultra-high-temperature (UHT), long-shelf-life milk must be used.

Children who cannot have fluid milk due to a special dietary need (other than a disability) may be served non-dairy beverages in place of fluid milk, however, the non-dairy beverages must be nutritionally equivalent to milk and meet nutritional standards for fortification with calcium, protein, vitamin A, vitamin D and other nutrients to levels found in cow's milk. Parents or guardians may request in writing non-dairy milk substitutions. The center has the option of providing the substitution. The center cannot require the parent to provide the substitute; the center is required to buy it.

If the center decides to honor the request, only the following milk substitutes qualify as nutritionally equivalent:

- Pacific Foods of Oregon, Ultra Soy Plain and Vanilla (32 oz. or 64 oz.)
- Stremicks Heritage Foods 8th Continent Original or Vanilla (32 oz. or 64 oz.)
- Pearl Organic Soymilk Smart Creamy Vanilla or Chocolate (8.25 oz.) (“Silk” does not meet the criteria).

(See also, **Disability, Meal-Pattern Exceptions.**)

Monitoring

The SO must monitor and review all facilities’ operation of the program to assess compliance with meal pattern, record keeping, and other program requirements (see **Sponsoring Organization Requirements**). Monitoring reviews of all sponsored facilities must be conducted at each site at least three times per year. The first review must be conducted during a facility’s first four weeks of operation, counting from the first day claimed. Not more than six months may elapse between reviews. At least two of the reviews must be unannounced, and one unannounced review must be during a meal service. Unannounced reviews must be planned so they do not come in the same month each year or on a predictable basis; it is to be a truly unannounced, unexpected review. All reviews should include examination of records the facility keeps. As a part of a review, a five-day reconciliation must be completed. To complete a five-day reconciliation, the monitor will:

- Determine the number of enrolled participants for sampling:
 - If the total enrolled number is 50 or less, at least five participants must be sampled.
 - If the total is 51 or more participants, at least 10% must be sampled.
- Record attendance and meal claimed each day next to each participant’s name
- On the bottom of the five-day reconciliation form, total each days’ attendance and meals claimed.
- Answer the question on the bottom of the form, “Did enrollment and attendance support the number of children’s meals claimed daily?”

Normally, the monitor will use records for five days of the current or previous month when completing a five-day reconciliation, however, if there are circumstances that would justify the monitor to check an earlier month, this is permitted.

Larger sponsoring organizations may wish to use review averaging. If a sponsor would like to know more about this option, contact the SA. The review form to be

used in monitoring can be found in the *Forms* section. Monitoring records must be maintained and kept, along with all other CACFP documentation, and will be reviewed by the SA during a program review.

N

Non-citizens

Citizenship status is not a criterion for eligibility to receive meal benefits in any Child Nutrition Program. Eligibility is based on the same household size and income criteria for all children regardless of U.S. citizenship. (See *Eligibility Guidance*.)

Non-creditable Foods

Non-creditable foods are those that do not count toward meeting the meal pattern requirement in the CACFP. (See *Crediting Foods in the Child and Adult Care Food Program*.)

Nonprofit Organizations

Nonpublic (non-governmental) institutions must obtain and maintain nonprofit status with the Internal Revenue Service or must be operating another program which requires nonprofit status.

The institution must continue to be in compliance with all Internal Revenue Service and Utah Department of Commerce reporting requirements for nonprofit organizations.

Nonprofit organizations must adhere to rules of governing board composition, as follows:

- The majority of board members (50 percent or more) should be independent community members who have no direct financial ties to the outcomes of the program or direct financial benefit from the facility.
- Only a minority of board members may be related to each other or to executives and/or staff or be executives and/or staff. (A relative is defined as a spouse, parent, grandparent, child, grandchild, sibling, in-law, step relative, cousin, niece/nephew, or aunt/uncle.)
- Staff members and/or organization executives serving as board members must abstain from voting on all issues where there is or may be a conflict of interest.

Nonprofit Program Operation

Institutions are required to maintain appropriate revenue and expenditure records to document the nonprofit operation of their food service program. Determination of nonprofit operation is made by evaluating the financial status of the food service program as a whole. All income to food service operations must

be used to reduce cost, to purchase supplies, and to maintain or improve services and equipment used in operation of the program.

Non-program Children's Meals

Meals served to children who are not enrolled for care must not be claimed for reimbursement. Non-program children include children not enrolled in care who are attending for a special occasion or relatives and friends who are visiting enrolled children at the time of meal service. These children may be served but cannot be claimed for reimbursement. Non-enrolled children may not be cared for on a regular or long-term basis. Such children count against license capacity and may cause a facility to be out of compliance with licensing standards.

0

Outside-School-Hours Care Centers

Outside-school-hours care centers may participate in the program either as independent centers or under the direction of a sponsoring organization. Public and private nonprofit centers are not eligible to participate in the program under the direction of a for-profit sponsoring organization. Independent outside-school-hours care centers must comply with **Institution Requirements** and **Record Keeping** requirements as well the requirements listed in this section.

All outside-school-hours care centers, independent or sponsored, must meet the following requirements to participate:

- Except for proprietary Title XX centers, outside-school-hours care centers shall be public, or have tax-exempt status under the Internal Revenue Code of 1986.
- Outside-school-hours care centers must have federal, state, or local licensing or approval to provide day care services, primarily to school-age children. (See **License/Approval**.) If licensing or approval is not available, a center may participate if it demonstrates compliance with alternate approval standards.
- Outside-school-hours care centers provide organized child care services to school-age children outside of school hours. The main purpose of the program must be the care and supervision of children.
- Outside-school-hours care centers are eligible to serve breakfasts, supplements and suppers. In addition, outside-school-hours care centers are eligible to serve lunches to enrolled children during periods of school vacation, including weekends and holidays, and to enrolled children attending schools which do not offer a lunch program.
- Reimbursement shall not be claimed for more than two meals and one snack provided daily to each child.
- Reimbursement shall not be claimed for meals served to children at any one time in excess of authorized capacity, or for any meal served at a proprietary Title XX center during a calendar month when less than 25 percent of enrolled children or 25 percent of licensed capacity, whichever is less, were Title XX beneficiaries.

Nonresidential public or private nonprofit schools which provide organized child care programs for school children may participate in the program as outside-school-hours child care centers if:

- The program is organized for the purpose of providing child care services and is distinct from any extracurricular programs organized primarily for scholastic, cultural, and athletic purposes;

and

- Separate program records are maintained.

Outside-school-hours care centers must ensure that each meal service is supervised by an adequate number of operational personnel trained in program requirements. Operational personnel must ensure that:

- Meals served to children meet the meal pattern requirements.
- Meals are served only to children participating in care and adults who perform necessary food service labor.
- Each meal service is consistent with the approved meal time.
- Meals served are consumed on the premises of the centers.
- Accurate records are maintained.
- The number of meals prepared or ordered is promptly adjusted on the basis of participation trends.

Overpayments Recovery

The USOE will recover any payments from institutions which, in the opinion of the USOE, were not properly earned. Institutions should have a plan in place for repayment of overclaims, should they occur, including how funds might be recovered from sponsored facilities. (See **Administrative Review Procedures** and **Serious Deficiency**.)

P

Parental Notification

Child care institutions are required to inform parents and guardians of enrolled children about the program and its benefits. The facility must post the USOE-provided "Building for the Future" poster. In addition, a flyer from the USDA, "Building for the Future," is provided. The institution must add its name and telephone number to the flyer. Additional copies of the poster will be furnished by the USOE upon request.

Participation Controls

Payment is not to be made for meals served to participants attending in excess of authorized capacity. (See also **License Capacity**.)

Performance Standards

The success of an institution or sponsor's performance on the program is evaluated against three standards. All program reviews are based on these measures.

Performance Standard 1 is financial viability and financial management. Each institution must be financially viable. That means the facility must use CACFP reimbursement in accordance with regulations. The center must be able to document sufficient money resources to operate the food program, including enough sources of money to be able to operate without program reimbursements or to be able to pay back an overclaim. The institution also needs to use a written budget to show that costs are necessary, reasonable, allowable and appropriately documented. It also means reimbursement received from CACFP is a help, but the center is not dependent on it to be in existence.

Performance Standard 2 is administrative capability. The institution must have management practices so that it can run the program as required, including having sufficient qualified staff to operate the program, keeping all required paperwork, and submitting accurate claims.

Performance Standard 3 is accountability. The center must have internal controls and other management systems to make sure the program operates according to all requirements. This includes, but is not limited to, such things as fiscal accountability, record keeping, meal service, operational requirements, and, if the institution is nonprofit, oversight by the board of directors.

Permanent Records

The agreement and policy statement are permanent records and must be kept on file as long as the institution participates in the program and for three years plus the current year past the date of withdrawal.

Point of Service

The point of service (POS) means the point in the food service operation where a determination can accurately be made that a reimbursable free, reduced-price, or paid meal or supplement has been served to an eligible participant. When the meal count is recorded, the child should be in possession of a complete reimbursable meal. For family-style meals, enough food must be prepared to serve each child the full required amount. The food and the child must both be at the table, with the child having had the opportunity to serve him or herself all the components of a reimbursable meal. The count is not taken prior to this point, nor is it recorded after the meal service has been concluded.

There must be a roster listing all children by full name for a supervising adult to “check off” participants. “Negative,” “alternate,” or “backed out” lists are not allowable.

Pre-operational (Preapproval) Visit

A pre-operational visit to institutions is conducted by the USOE to verify that food service and performance standards do not exceed the institution’s capability and to give technical assistance on program requirements. An institution which sponsors facilities must similarly conduct a pre-operational visit to all prospective facilities.

Prevention of Overt Identification

Institutions must take whatever measures are necessary to ensure that there is no overt identification of participants eligible for free or reduced-price meals in collecting applications or payments or serving food. Access to the information provided by households on their applications is limited to local, state, and federal officials directly involved in administering the program. Only institution or facility officials who have a need to know (e.g., compiling claims) should have access to information regarding participants’ benefit categories.

Procurement Policies

Procurement means purchasing, renting, leasing, or otherwise acquiring supplies, services, or equipment. Federal and state policies ensure fair and equal treatment of all persons and organizations wishing to conduct business with institutions.

If the institution purchases \$25,000 or more in goods or services from any individual, company or group, one of the following must be done:

- Include a clause verifying that the person(s) and/or company(ies) signing the contract have not been excluded or disqualified from doing business with the federal government.
- Use the Internet to check the list by going to <http://epls.arnet.gov>. Save a copy of the page showing that the company or individual doing business with you is not on the list.
- Use a certification form which the contractor signs verifying they have not been excluded or disqualified from doing business with the federal government.

Public agencies are subject to their own procurement rules, Utah procurement rules and federal rules. The small purchase threshold for Utah is \$50,000. The federal small purchase threshold is \$100,000. When the rules are different, public agencies must use the most restrictive policies in order to assure compliance. At a minimum, public agencies are required to follow procurement regulations in *7CFR Part 3016*.

Institutions of higher education, hospitals and other nonprofit organizations are subject to their own procurement rules and federal rules. They should use the most restrictive policy in order to assure compliance. At a minimum, institutions of higher education, hospitals and other nonprofit organizations are subject to *7CFR Part 3019*. (Go to <http://www.fns.usda.gov/fns/regulations.htm> and see *7CFR Part 226*, *7CFR Part 3016* or *3019*, and *FNS Instruction 796-2*, revision 3.)

Institutions must purchase domestic commodities and products, to the maximum extent practicable, which are produced in the United States. A food product processed in the United States “substantially” using agricultural commodities produced in the United States means that over 51% of the final processed product consists of agricultural commodities that were grown domestically.

Policies must assure the lowest responsive bid or offer is obtained. Institutions cannot purchase directly from a buying organization or group without considering other sources to assure the lowest price possible is being obtained.

Institutions are allowed (but not required) to apply a geographic preference when procuring unprocessed locally grown or locally raised agricultural products. Products must be unprocessed (not cooked, seasoned, frozen, canned or combined with any other products). Minor handling and preparation that is necessary for a usable form of the product, such as cooling, chopping, slicing, dicing, shucking, washing, bagging, butchering livestock and poultry, pasteurizing milk (all milk served in CACFP must be pasteurized), drying/dehydration and

putting eggs in a carton are allowable. Additionally, using a minimal amount of preservatives on locally grown produce may be needed for the purpose of preventing spoilage and is acceptable. Note that grinding meat into a hamburger is considered processing and therefore geographic preference may not be applied to that product. Institutions using this preference should assure the inclusion of this provision does not limit free and open competition.

Program Irregularities

The USOE will promptly investigate complaints received or irregularities noted in connection with the operation of the program, and will take appropriate action to correct any irregularities. The USOE will maintain on file evidence of such investigations and actions. FNS and OIG may make investigations at the request of the USOE, or whenever FNS or OIG determines that investigations are appropriate. SOs should similarly investigate complaints made against any sponsored facility.

Program Payments

Payments will be made only to institutions operating under an agreement with the USOE for the meal types specified in the agreement served at approved child care centers, adult day care centers and outside-school-hours day care centers. The USOE may make payment for meals served in accordance with provisions of the program in the calendar month preceding the calendar month in which the agreement is executed if all necessary records exist.

Each institution will report each month to the USOE, via CNPweb, the total number of meals, by type (breakfasts, lunches, suppers, and supplements), served to participants. In for-profit child care centers, such reports will be made only for calendar months during which not less than 25 percent of enrolled participants or license capacity were qualified for free or reduced-price benefits or were Title XX recipients. Such reports will be made for a for-profit adult care center only for calendar months during which not less than 25 percent of enrolled participants were Title XIX or Title XX beneficiaries. (See **Claim for Reimbursement.**)

Program Review

The USOE reviews institutions to ensure that they operate in accordance with program regulations. Complete program reviews are required to be completed by the USOE at least once every three years. A program review will examine compliance with all program requirements to assess the institution's viability, capability and accountability. It will include a thorough review of all records pertaining to program operation and administration.

Public Information

All information provided to the public concerning any aspect of the program or institution's food service, such as flyers, brochures, workshop or training announcements, posters, billboards, advertisements, and printed instructions must contain the nondiscrimination statement. Photographs or other graphics providing information about the program should convey the message of equal opportunity by displaying beneficiaries from different minority groups. Public service announcements lasting 30 seconds or less on radio or television may include the abbreviated version of the required nondiscrimination statement. (See **Civil Rights**.)

R

Record Keeping

Institutions must establish procedures to collect and maintain all program records. Failure to maintain such records shall be grounds for the denial of reimbursement for meals served during the period covered by the records in question and for the denial of reimbursement for costs associated with such records. Such records include:

- Copies of all applications and supporting documents submitted to the USOE, including licenses to operate the facility.
- Documentation of the enrollment of each participant at child care centers (except for outside-school-hours care centers) and adult day care centers. For child care centers, documentation of enrollment must be signed by a parent or legal guardian, and include information on each child's normal days and hours of care and the meals normally received while in care.
- Income eligibility forms, including family size and income information used to determine eligibility for free or reduced-price meals for each participant claimed in either category. (See *Eligibility Guidance*.)
- Daily records indicating the number of enrollees in attendance (sign in/sign out sheets).
- Daily records showing the number of meals, by type (breakfast, lunch, supper, and supplements), served to participants taken at the time of meal service.
- Daily records indicating the number of meals, by type, served to adults performing labor necessary to the food service.
- Copies of menus and other required food service records (see **Meal Accountability**).
- Production records to document the meals served.
- Copies of invoices, receipts, or other records required by the USOE financial management instruction to document administrative and operating costs claimed by the institution and any income to the program.
- Receipts for all program payments received from the USOE.
- Documentation of nonprofit food service to ensure that all program reimbursement funds are used solely for the conduct of the food service operation or to improve such food service operations, principally for the benefit of the enrolled participants.
- Information on training session date(s) and location(s), as well as topics presented and names of participants.
- Payments to sponsored facilities, if applicable.
- Documentation of monitoring, if applicable.

All accounts and records of the institution and participating facilities pertaining to the program must be made available to representatives of the USOE and/or the USDA for audit or review at any reasonable time and place. All records are to be retained for a period of three years after the fiscal year to which they pertain plus the current year, except that if audit or review findings have not been resolved, the records must be retained beyond the end of the three-year period for as long as may be required for the resolution of the issues raised by the audit or review. (See **Financial Management System**.)

The following program records must be maintained permanently:

- The CACFP Agreement completed in 2001 or later.
- The CACFP Free and Reduced-Price Meals Policy statement (found with the Agreement). (See **Permanent Records**.)

Reimbursable Meal

A reimbursable meal is one:

- Served to participants enrolled in the day care program of the institution and in attendance at the time of the meal service.
- Claimed in an approved eligibility category.
- Meeting the minimum meal-pattern requirements for the meal.

Residential Care

Participation in the program is limited to institutions providing nonresidential care (see **Emergency Shelters**).

Restaurant Meals

Meals containing components from restaurants will not be considered creditable under CACFP unless a product analysis sheet is provided by the restaurant or its corporate office. This applies to meals served in the center or meals served on field trips.

The product analysis sheet for each food item used to meet the CACFP meal pattern must include: 1) food item, 2) serving size, and 3) detailed listing of creditable component serving size. All field trip meals must be pre-approved by the SO and the USOE prior to service. (See **Fast Food Meals**.)

S

Sanitation and Safety

Institutions and facilities must maintain, in the storage, preparation, and service of food, proper sanitation and health standards in conformance with all applicable state and local laws and regulations. Further details are given in the most recent Utah Sanitation Code, which may be obtained from the local or state health department.

School-Prepared Meals

Institutions which serve meals prepared in schools participating in the National School Lunch and School Breakfast programs may use their meal pattern requirements instead of the CACFP meal pattern requirements. Agreements with schools to prepare meals should specify the meal pattern to be used.

The provision permits the substitution of NSLP meals, including the use of Offer versus serve (OVS) to school age children participating in CACFP. OVS is not appropriate for preschool children. The meal pattern requirements, including the use of OVS, can be found in the "Menu Planner for Healthy School Meals."

Serious Deficiency

Serious deficiencies, which are grounds for disapproval of applications and for termination if not corrected include any of the following:

- Submission of false information on the institution's application, including a determination that the institution has concealed a conviction for any activity that occurred during the past seven years or that indicates a lack of business integrity. A lack of business integrity includes fraud, antitrust violations, embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, receiving stolen property, making false claims, obstruction of justice, or any other activity indicating a lack of business integrity as defined by the SA.
- Permitting an individual who is on the national disqualified list to serve in a principal capacity with the institution or, if a sponsoring organization, permitting such an individual to serve as a principal in a sponsored center.
- Failure to operate the program in conformance with the performance standards set forth in 226.6 (b)(1)(xvii) and (b)(2)(viii).
- Failure to comply with the bid procedures and contract requirements of applicable federal procurement regulations.
- Failure to maintain adequate records.
- Failure to adjust meal orders to conform to variations in the number of participants.

- Claiming reimbursement for meals not served to participants.
- Claiming reimbursement for a significant number of meals that do not meet program requirements.
- Use of a food service management company that is in violation of health codes.
- Claiming reimbursement for meals served by a proprietary Title XX child care center during a calendar month in which less than 25 percent of its enrolled children, or 25 percent of its licensed capacity, whichever is less, were Title XX beneficiaries.
- Claiming reimbursement for meals served by a proprietary Title XIX or Title XX adult day care center during a calendar month in which less than 25 percent of its enrolled adult participants were Title XIX or Title XX beneficiaries.
- Failure by a sponsoring organization to properly train or monitor sponsored facilities in accordance with 7 CFR 226.16(d).
- Failure to perform any of the other financial and administrative responsibilities required by the regulations.
- The fact that the institution or any of the institution's principals have been declared ineligible for any other publically funded program by reason of violating that program's requirements.
- Conviction of the institution or any of its principals for any activity that occurred during the past seven years and that indicates a lack of business integrity. A lack of business integrity includes fraud, antitrust violations, embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, receiving stolen property, making false claims, obstruction of justice, or any other activity indicating a lack of business integrity as defined by the SA.
- Any other action affecting the institution's ability to administer the program in accordance with program requirements.

An issue of noncompliance affecting, or potentially affecting, viability, capability or accountability may be considered a serious deficiency which must be completely and permanently corrected. If the serious deficiency which caused the corrective action to be required is found to have arisen again in a subsequent review or audit, the institution (or facility) will be proposed to be terminated from program participation and the institution and responsible individuals and principals disqualified.

Shelf-stable Snacks & Meals

Shelf-stable, dry or semi-dry meat snacks are not creditable for CACFP meals or snacks. Only CN labeled products or products listed in the *Food Buying Guide* may

be used as required components in program meals and claimed for reimbursement

Special Dietary Needs

Dietary substitutions for children with special dietary needs must be medically certified. Children's records must contain a statement signed by a recognized medical authority including the identification of the medical or other condition which restricts the child's diet, the food or foods to be omitted from the child's diet and the food or foods to be substituted. Physicians, physician assistants, nurse practitioners, registered dietitians and nurses are considered medical authorities. If the child has a disability (see **Disability**), accommodations must be made. If the child has a special dietary need, accommodations may be made. The substituted foods should be nutritionally equivalent and institutions may not charge additional fees to serve meals to children with special dietary needs. Parental preferences for vegetarian or meals to accommodate religious dietary requests may be made at the discretion of the institution. (See **Milk**.)

Sponsoring Organization Requirements

Each sponsoring organization will comply with all provisions detailed in **Institution Requirements**, as well as these requirements.

A sponsoring organization is responsible for the administration of the food program in two or more child care centers, outside school hours care centers or adult day care centers.

A for-profit organization is eligible to serve as a sponsoring organization of for-profit centers which have the same legal identity as the organization, but is not eligible to sponsor a for-profit center which is legally distinct from the organization or is a public or private nonprofit center.

Each sponsoring organization will accept final administrative and financial responsibility for food service operations in all child care and adult day care facilities under its jurisdiction.

Each sponsoring organization will submit to the USOE all information required for its approval and the approval of all child care and adult day care facilities under its jurisdiction, including:

- A sponsoring organization management plan that describes how the institution will establish and maintain viability, capability and accountability. (See **Management Plan** and **Performance Standards**.)

- An application for participation, or renewal materials, for each child care and adult day care facility accompanied by all necessary supporting documentation.
- Current information concerning the license or eligibility status of child care and adult day care facilities.

Each sponsoring organization will provide adequate supervisory and operational personnel for the effective management and monitoring of the program at all child care and adult day care facilities under its jurisdiction. At a minimum, such program oversight must include:

- Preapproval visits to each child care and adult day care facility for which application is made to discuss program benefits and verify that the proposed food service does not exceed the capability of the care facility.
- Training on program duties and responsibilities to key staff from all sponsored facilities prior to the beginning of program operations. At a minimum, such training must include instruction on the program's meal patterns, meal counts, claim submission, review procedures, record keeping requirements and reimbursement system. Attendance by key staff is mandatory. Key employees are all employees who work in any way with the meal service.
- Additional training to be provided not less frequently than annually.
- The SO must maintain documentation concerning the location and dates of each child care or adult day care facility review, any problems noted, and the corrective action prescribed. In addition, each facility review is required to assess whether the facility has corrected problems noted on previous reviews.
- Monitoring reviews must be conducted to assess the facility's compliance with the regulatory requirements pertaining to the program meal patterns, licensing or approval, participation in or attendance at sponsor training, meal counts, menu and meal records, enrollment forms and sign-in/sign-out sheets in child care facilities.
- Reviews must conform with the following requirements:
 - Reviews must be conducted at least three times each year (a year is any consecutive 12 month period) at each facility.
 - At least one review must be made during each facility's first four weeks of program operations.
 - Not more than six months may elapse between reviews.
 - At least two of the three reviews must be unannounced.
 - At least one unannounced review must include the observation of a meal service.

- Reviews may be averaged under certain circumstances for sponsors of a large number of centers. The SA must be informed of this decision.
- Monitoring must include a five-day reconciliation of the current or a previous claiming period. In order to reconcile meal counts to attendance and enrollment by participant, monitors may take a random sample of the children claimed for the five-day period.

The random sample must equal at least 10 percent of the total number enrolled, with a minimum of five children's records being reconciled. If there are no enrollment forms required (as in at-risk programs, emergency shelters and outside school hours care programs) the monitor would reconcile meal counts to attendance records. If there are no enrollment or attendance records (as in emergency shelters), the monitor would conduct a more general review of the facility's meal counting and claiming procedures.

- Sponsors must conduct monthly edit checks of all facilities to assure that the facility has been approved to serve the meal types being claimed and the number of meals claimed does not exceed the number derived by multiplying approved meal types times days of operation times enrollment.
- Household contacts must be conducted to verify enrollment, attendance and meals if any of the following are found during a program monitoring review of any facility:
 - Fewer children present during the review than claimed on an average during the last three claimed months
 - Unable to reconcile enrollment, meal counts and attendance
 - Claiming meals for school age children who don't have documentation of legitimate reasons for attendance at the center
 - Claiming meals for children who do not have a record of being in attendance during the meal
 - All of the parents (100%) have refused the facility's house formula for infants
- Household contacts must be conducted to explain consistency in enrollment, attendance and/or meals claimed by facilities monitored by the sponsor. Household contacts are not required for adult day care centers.
- Household contact means a contact made by a sponsoring organization to an adult member of a household with a child in a child care center in order to verify the attendance and enrollment of the child and the specific meal service(s) which the child routinely receives while in care. Any of the following methods of contact may be used:

- Phone call; calls should be placed at a time when children are not in care and the parent or guardian is likely to be home. If parent/guardian is unable to be reached on the first try, a second call should be placed at a different time of day. If still no contact is made, other methods should be tried.
- Letter or postcard with questions similar to the telephone survey.
- Visit (usually done as a last measure, when all others have failed).

Household contacts will be considered satisfied if a majority of the contacts were successful and those contacts suggest that the issue was resolved. If no contact can be made, then other approaches must be tried, including further unannounced reviews of facilities, more detailed reviews of claim history, etc. If household contacts are not satisfied, or show that a serious problem exists (for example, children claimed were not actually in care), further action must be taken. This action may include further investigation, determination of serious deficiency, or other such action as is appropriate.

Documentation required for household contacts include the date of the contact, questions asked and answers obtained, the name of the person conducting the interview. This material should be filed with monitoring materials.

- The sponsoring organization will pay facilities the full amount of reimbursement earned, minus approved administrative expense, for reimbursable meals served to enrolled children. (See **Facility Reimbursement.**)
- Sponsoring organizations must make payments of program funds to child care centers, adult day care centers or outside-school-hours care centers within five working days of receipt from the USOE, on the basis of the management plan approved by the USOE and maintain records showing the dates and amounts of disbursements to each facility. (See **Record Keeping.**)
- Sponsors must notify facilities of the right of the USOE and USDA to conduct on-site reviews, announced or unannounced, during regular operating hours.
- Sponsors must have policies addressing outside employment of institution employees.
- Sponsors must have policies which describe procedures for handling complaints of discrimination
- Sponsors must provide yearly civil rights training for Institution and Sponsor employees annually.

Staffing

Each institution will provide adequate supervisory and operational personnel for management, operation and monitoring of the program.

Subsidized Adoption

Children in subsidized adoptions are typically former foster children and/or children with special needs (those with physical or mental disabilities or suffering from the effects of abuse or neglect). The Department of Human Services provides a monthly income to assist the household in paying for the child's care and expenses. In making eligibility determinations, the child should be considered a member of the household, with the money for the child's needs counted as part of the household's total income.

There are some rare instances in which the term "subsidized adoption" refers to a legal arrangement in which the child is not considered to be in the custody of the household but is under the legal guardianship of the court. In this case, the child should be treated as a foster child and a family of one, categorically eligible for free meals.

Supplemental Nutrition Assistance Program (SNAP) (Food Stamps)

The electronic benefit transfer (EBT) number cannot be used to replace food stamp case numbers in determining categorical eligibility for free meals on IEFs. The EFT is never the household's case number. The food stamp case number must be used when determining eligibility for free meals. (See *Eligibility Guidance*.)

T

Termination or Suspension of Program Participation

Institutions may be terminated or suspended from program participation when corrective action cannot be achieved. (See **Corrective Action, Serious Deficiency** and **Administrative Review Procedures**.)

Transported Meals

Transported meals are defined as unitized individual meals or bulk items transported from a central kitchen combined with partial preparation at the receiving facility, or any combination of these. Meal accountability does not change just because food is transported. Documentation of compliance, along with the meal count, must be available. Safety and sanitation requirements must be met.

W

Water

Child Care Centers, At-Risk After-School Meal Programs and Shelters participating in CACFP must make drinking water available to children, throughout the day, including at meal times, upon children's request. Water may not be served instead of fluid milk (it must be available in addition to all other required meal components).

Caregivers should not serve young children too much water before and during meal times because excess water may lead to a child filling up on water and not being hungry for their meal.

If circumstances arise in which safe water is not readily available in a facility, purchasing water for children is considered a reasonable and allowable cost (if the water is purchased for employee use, the cost is unallowable).

Z

Zero Income

See Eligibility Guidance.