Welcome to the Child and Adult Care Food Program (CACFP) training, CACFP Performance Standards presented by the Oregon Department of Education Child Nutrition Programs (ODE CNP). This training is for new CACFP applicants and current sponsors who operate CACFP.

In this training, we will talk about the Federal Requirements for the administration of the CACFP, with a focus on the federal CACFP Performance Standards. Applicants and sponsors must meet these standards to be approved for, or continue participation on the CACFP.

The CAFCP is funded by the United States Department of Agriculture and administered in Oregon by the Oregon Department of Education (ODE). All funds for this program are federal funds and applicants and sponsors are required to follow Federal regulations.
Successful CACFP applicants and sponsors are those that already have strong business practices and internal controls built into the organization.

When applying to become a sponsor of the CACFP, Federal regulations require each institution to submit information to sufficiently document that the institution meets required performance standards of:

- Financially viable (CLICK)
- Administratively capable (CLICK) - Administratively capable of operating the program according to regulation
- Ensure accountability (CLICK) - And has internal controls to ensure accountability.

A strong business with developed policies and procedures and strong internal controls helps a sponsor have a strong CACFP program.

This information is also reviewed during annual updates and renewals.

Why are Viability, Capability and Accountability important in the CACFP?

The federal CACFP regulations to meet these standards were put into place to ensure that tax payer money is used effectively for the intended purpose of the CACFP, which is to provide nutritious meals to the program participants.
The first performance standard we will review is Performance Standard 1: Financial Viability & Financial Management.

You may be asking yourself:
1. What does it mean to be financially viable?
2. How do I ensure my organization is financially viable?
3. What does ODE CNP need to determine that my organization is financially viable?

Let's address what it means for your organization to meet the standard of financial viability and financial management:

(Click) Organizations must have adequate financial resources to maintain normal operations and (Click) pay employees and suppliers, even if there is a delay or disruption in usual agency income or CACFP reimbursement. For example, if the USDA announces the annual CACFP reimbursement rates late, ODE CNP would have to delay the CACFP reimbursement payment until the new reimbursement rate is available. The organization must have other funds to cover CACFP costs. For some CACFP sponsors, the source of funds may be child care fees.
(CLICK) During a CACFP review, it may be discovered that a sponsor received too much reimbursement based on the sponsor’s records. If this happens the sponsor may need to return funds to ODE CNP. A financially viable organization, will be able to pay the debts, and will continue with regular operation of the CACFP.

(CLICK) ODE CNP reviews various documents to determine if an organization is financially viable, such as audit, bank and other financial statements.

As I just mentioned, during the application process ODE CNP will review documentation to ensure that the sponsor organization is financially viable to operate the CACFP.

Depending on your organization type there are different documents that are required to be submitted in order for ODE CNP to determine the applicant and renewing sponsors financial viability.

This slide includes the type of financial documents reviewed, by organization type. ODE CNP may also request additional items if needed.

For more information on administrative guidance and how to complete the CACFP Budget, please see the CACFP Training Page for trainings on Administrative Budget Guidance and the Budget Form Training.
As shown on the last slide, to determine if an organization is financially viable ODE CNP reviews various documents to see if there are adequate resources, other resources of funds and if the organization is financially viable.

Next, let’s look at some examples of documentation ODE CNP will review during the application process and annual renewals:

One example of how ODE CNP will determine financial viability of a non-profit organization is through the review of the IRS 990 and CACFP budget to identify funding sources, such as Head Start funds, parent fees or grants, and determine if there are sufficient funds in the case there are delays in CACFP reimbursement or the organization needs to pay back any CACFP funds to
ODE CNP.

Another example of how ODE CNP will determine financial viability for a for-profit business is through the review of the (CLICK) CACFP budget and (CLICK) monthly bank statements for the previous 3 months. Some of the items reviewed on the bank statement include: if the amount of the withdrawals is greater than funds deposited; and if there are any overdraft or insufficient fund charges. ODE CNP also reviews other items on the bank statement as well as other documents. After a review of all required documents it will determine if the organization meets the financial viability requirements of CACFP participation.

Now that we have discussed what it means to be financially viable, let’s discuss how an organization maintains viability?

(CLICK) Carefully manage the organization’s finances. Have systems to track income and expenses, and know where you are at financially at all times.

(CLICK) Make sure the organization’s income is greater than the expenses.

(CLICK) It is important to pay bills timely and do not incur bank charges for insufficient funds.
The second performance standard we will review is administrative capability.

First let’s define what Administrative Capability means when operating the Child and Adult Care Food Program:

(CLICK) The organization has appropriate and effective management practices in effect to ensure that the CACFP requirements are met.

ODE CNP determines administrative capability during the application process and during annual renewals. This is determined through the CACFP management plan, the pre-approval review and other documentation.

The CACFP management plan addresses how an organization is managing responsibilities, and how it will meet the requirements of the CACFP.

The management plan has four sections:

(Highlight) Sponsor Information
(Highlight) Financial Viability & Financial Management
(Highlight) Administrative Capability
(Highlight) Program Accountability

Each area has multiple questions regarding how the organization will manage the CACFP.

(CLICK) To ensure an organization is capable of operating the CACFP, a sponsor should have written policies and procedures in place to ensure CACFP requirements are met. It should have strong policies and procedures regarding how staff will complete CACFP duties.

ODE CNP will review the policies to evaluate:

(CLICK) Who is responsible – Is there an adequate number and type of qualified staff to operate the CACFP? We will take a look at positions, such as, Teacher, Administrative Assistant; and their (CLICK) assignments, such as Meal Counts, Menu review, Claim Submission, Racial Ethnic Data. We will also look at (CLICK) how often and (Click) when it will be done – Daily, Weekly, Monthly, Yearly and if there are (CLICK) double check systems in place.

By having policies & procedures written, staff have a reference point to refer back to; these can be included in a staff handbook.
When ODE CNP is assessing administrative capability it will determine if staff have adequate training and oversight.

For example, the organization will need to have written procedures in place to train staff who have any responsibility in CACFP, including meal counts, serving of meals, and feeding infants, before they start their work in the program.

Adequate staff is extremely important to a strong, capable program.
ADEQUATE STAFF

• Questions to Ask
  • Systems effective
  • Staff following approved procedures
  • Trained Staff to serve as back up
  • Back up Claim Contact
  • Multiple Site Monitors
  • Back up cook

Some questions an organization should ask to determine if there is adequate staff:

(CLICK) How will we know if our systems are effective and (CLICK) staff are following approved procedures?

(CLICK) Are there trained staff who can back up the Food Program Coordinator or the (CLICK) Claim Contact when they will be out of the office for a long period of time?

(CLICK) Are there multiple staff who are site monitors for large programs?

(CLICK) Is there someone who is trained and can take over in the kitchen and knows the meal pattern when there is an illness or emergency?

By having an adequate number of staff, a sponsor is ensuring that even when the stomach flu hits, children will still be fed reimbursable meals, and the CACFP will operate according to the regulations, and accurate claims will be submitted for reimbursement.

PERFORMANCE STANDARD 3: PROGRAM ACCOUNTABILITY

The final Performance Standard is Program Accountability.

Organizations must have internal controls and effective management systems in place to ensure the program will meet CACFP requirements.

Let's look at what this could look like for your organization.
One way ODE CNP determines program accountability is through adherence with a signed agreement. When an organization becomes a sponsor of the Child and Adult Care Food Program, a permanent agreement with the State of Oregon called the State Agency Sponsor Agreement is signed by the sponsor and ODE CNP. The organization should read the entire agreement and ask questions before signing it.

This agreement has many more provisions and that is why it is very important to read and maintain the signed copy.

If a sponsor is a non-profit organization or a for profit corporation, ODE CNP will request Board Meeting minutes and information about the Board of Directors to ensure the board is an independent governing board of directors. Faith-based organizations will also need to submit a letter from the board stating the CACFP program is part of the mission of the organization.
Financial Systems is another area of Program Accountability that ODE CNP reviews during the application process and annual renewals. Organizations must have a (CLICK) financial system with written management controls to assure (CLICK) fiscal integrity and (CLICK) accountability of all funds (CLICK) received, held and disbursed; (CLICK) accountability of all expenses; (CLICK) that claims are processed accurately and timely; (CLICK) and funds are safeguarded and used only for allowable expenses.

To determine program accountability, ODE CNP looks at the Sponsor’s CACFP management plan and may request written policies and procedures for financial systems management controls.

For example, ODE CNP may ask how often are CACFP receipts and expenditures validated against the budget? Is there a double check system or a checks and balance? How will meal counts be consolidated for a claim? Does one staff member consolidate the CACFP reimbursement claim and another double check and submit the claim? These are all examples of policies and procedures for managing financial systems.
Accurate and complete record keeping is also a requirement for an organization to meet Performance Standard 3: Program Accountability. When an organization becomes a sponsor it agrees to maintain all CACFP records for three years plus the current fiscal year. This includes budgets, accounting records and all CACFP records. You will learn more information regarding the required record keeping in subsequent CACFP trainings and in the CACFP Policy & Procedure Manual.

Let’s review Meal Service and Operational Requirements of the CACFP.
MEAL SERVICE & OTHER OPERATIONAL REQUIREMENTS
- Meal Pattern
- Eligible Meals
- Licensure or Approval Requirements
- Health and Sanitation Requirements
- Civil Rights
- Record Keeping
- Site Monitoring

Through subsequent CACFP training and the CACFP Policy & Procedure Manual, applicants will learn more about:

(CLICK) Meal Pattern requirements
(CLICK) Eligible meals and how to count and claim reimbursement for meals
(CLICK) Approval requirements such as Federal, State, or tribal approval and
(CLICK) Health & Sanitation Requirements
(CLICK) Civil Rights requirements.
(CLICK) CACFP Record Keeping Requirements.
(CLICK) Site Monitoring requirements for multi-site programs

ODE CNP will review the operation of the CACFP within your program, these reviews are called, Administrative Reviews. For new applicants ODE CNP may also conduct a pre-approval review. These are regulatory requirements. The assigned Child Nutrition Specialist will review your organization’s systems to determine if the sponsor is meeting the requirements of the CACFP. The reviews may be conducted on an announced or unannounced basis. ODE CNP staff will review the sponsor’s CACFP records and procedures, talk with staff and make observations. If there are problems with compliance the ODE CNP staff will let you know of the finding and how to correct it. This is put into writing and the sponsor will have an opportunity to correct the issue and submit a written corrective
action. The sponsor will work closely with the specialist during this time.

If the sponsor does not correct findings, or there are more serious issues identified, ODE CNP staff will notify the organization that it is seriously deficient in the operation of the CACFP. The serious deficiency process was built into the regulations to provide a serious wake-up call for the organization to be aware of problems and it provides the organization time to correct the issues.

For more information on the Serious Deficiency Process, see the CACFP Policy & Procedure Manual Chapter 20.
The State agency must only approve applications for those new institutions that meet these performance standards, and must deny the applications of those new institutions that do not meet the standards. The state agency will use its discretion in determining whether the institution’s application, in conjunction with its past performance in CACFP, establishes to the State Agency’s satisfaction that the institution meets the CACFP performance standards.

Throughout the application process questions and/or concerns will arise regarding the CACFP. ODE CNP Specialists are available to assist applying organizations and sponsors through these questions and concerns.

ODE CNP staff strive to develop professional relationships with sponsors to support their skills and abilities to deliver Child Nutrition Programs. ODE CNP Specialists will work with the organization to answer questions, offer technical assistance and make recommendations to assist in the success of the CACFP in your organization. Applicants and sponsors should also reach out to ODE CNP when there are questions or concerns. To do so, contact the assigned specialist via email or phone.
RESOURCES

ODE Training Website

Posts Annual Training for all sponsors, webinars, and more

ODE CNP/CACFP Policy & Procedure Manual

ODE CNP resource for all CACFP sponsors on how to operate the CACFP program

CACFP Federal Regulations

Excited to learn more? Here are some helpful resources that will help with training needs, provide questions and answers, and great tips and ideas on how to operate a successful Child and Adult Care Food Program.

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Additionally, program information may be made available in languages other than English.

To file a program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, (AD-3027) found online at: http://www.ascr.usda.gov/complaint_filing_cust.html, and at any USDA office, or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992.

Submit your completed form or letter to USDA by:
(1) mail: U.S. Department of Agriculture
Office of the Assistant Secretary for Civil Rights
1400 Independence Ave, SW
Washington, D.C. 20250-9410;
(2) fax: (202) 690-7442; or
(3) email: program.intake@usda.gov

This institution is an equal opportunity provider.

Thank you for participating in CACFP Performance Standards Training for the Child and Adult Care Food Program. If you have any questions please contact your assigned Child Nutrition Specialist. We greatly appreciate the work that you do to fuel Oregon’s future.