

**Child and Adult Care Food Program**



**Family Day Care Home  
Sponsor Manual**

**Oregon Department of  
Education Child Nutrition  
Programs**

**April 2022 Edition**

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# Foreword . . . About this Manual

Good nutrition is an essential building block in promoting the growth and development of children. The U.S. Congress established the Child and Adult Care Food Program (CACFP) in 1968 to help ensure the provision of proper nutrition to a growing number of young children receiving a significant portion of their daily food intake in childcare settings. The Program helps children develop desirable eating habits and learn about healthy food choices at an early age.

The CACFP is administered in Oregon by the Department of Education Child Nutrition Programs (ODE CNP). The Oregon Department of Education receives funding from the U.S. Department of Agriculture, Food and Nutrition Service, to pay for meals provided to children and to administer the Program through agreements with sponsoring organizations. Meals are provided in childcare centers, day care homes, afterschool programs, adult day care and homeless shelters.

## **Program Goals**

- To provide children and families better access to food and a more healthful diet through participation in the CACFP
- To provide access to more nutritious food
- To serve nutritious meals and snacks to eligible children who are enrolled for care in participating Family Day Care Homes
- To promote healthy eating behaviors

## **CACFP Federal Regulations, Instructions and Memos**

CACFP Federal Regulations are found in Title 7, Part 226 of the Code of Federal Regulations (7 CFR 226; 42 USC 1758, 1759a, 1762a, 1765, 1766, as amended; 7 CFR 15, 15a, 15b, 226, 240, 245, 3015, 3016 and 3019).

USDA publishes instructions, including but not limited to: FNS Instruction 796.2 Rev. 4 *Financial Management—Child and Adult Care Food Program*, regulations, instructions and other publications governing the operation of the Child and Adult Care Food Program. Sponsors can find these resources on the Handbooks and Regulations webpage located on the [ODE CNP CACFP](#) website.

ODE CNP developed this manual to specifically focus on the responsibilities of Sponsoring Organizations of Family Day Care Homes (Provider) and to guide them in the day-to-day operation of the CACFP. Chapters contain ODE CNP policy and guidance based on Federal regulations (7 CFR 226), instruction and guidance. All Sponsoring Organizations having an agreement with ODE CNP to administer the CACFP must follow the policies and guidance set forth in this manual.

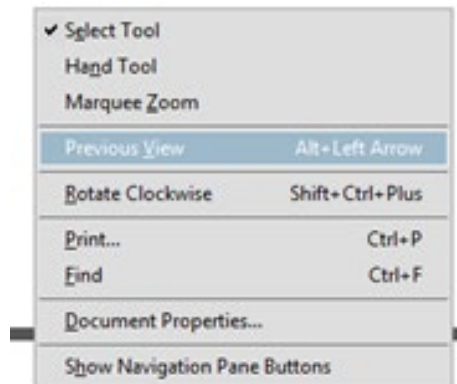
Sponsoring Organizations are responsible for knowing the information in this manual, should read all the material carefully and share the information with their staff members responsible for CACFP operations.

When a policy change occurs, ODE CNP will revise the appropriate sections of this manual online and issue a notification to affected Sponsoring Organizations regarding the revisions. Sponsoring Organizations that have printed hard copies of this manual for their staff are responsible for ensuring that all staff are advised of revisions when they are issued.

## **Guide to Navigating the CACFP Family Day Care Home Sponsor Manual**

The CACFP Family Day Care Home Sponsor Manual has been designed with a number of features to facilitate easy navigation through the entire document:

- 1) Each line in the main Table of Contents links directly to the chapter or section referenced.
- 2) Each line in each chapter's Table of Contents links directly to that section of the chapter.
- 3) There is a link back to the main Table of Contents at the end of each chapter's Table of Contents. The same link is also located at the end of each chapter.
- 4) When you click on a link to a document within a chapter you will be taken to one of two places:
  - a. If the document has a single version or translation, the document will open
  - b. If the document has multiple versions and/or translations, you will be taken to the webpage that has all versions and/or translations available
- 5) When you have completed viewing a document that you have linked to, click the back arrow to return to your previous location within the manual.
- 6) When a different chapter is referenced within a chapter, the link will take you to the Table of Contents for the new chapter.
- 7) When you have completed viewing the information at a link that you have opened within the manual, right click on your mouse and then select "Previous View". You will be returned to your previous location within the manual.



- 8) When you click on a link to a website external to the manual, you will be taken directly to that website. Click the back arrow to return to your previous location within the manual.

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***Individuals who are deaf, hard of hearing or have speech disabilities may contact USDA through the Federal Relay Service at (800) 877-8339; or (800) 845-6136 (Spanish). USDA is an equal opportunity provider and employer.***

### **ODE CNP Contact Information**

ODE CNP staff conducts administrative reviews, and can provide technical assistance and training for sponsors. The State office contact information is:

**Oregon Department of Education Child Nutrition Programs  
255 Capitol St. NE, Salem, OR 97310  
Phone: (503) 947-5894  
E-mail: [ode.communitynutrition@ode.oregon.gov](mailto:ode.communitynutrition@ode.oregon.gov)**

#### **Websites:**

**[ODE CNP Main Page](#)  
[ODE CNP CACFP Page](#)**

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# CHAPTER 1 INTRODUCTION

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# Section A – Basic Information About CACFP

## **Family Day Care Home Sponsoring Organizations**

A Sponsoring Organization:

- Has an agreement with the Oregon Department of Education to operate the CACFP
- Has an agreement with Provider providers
- Distributes meal reimbursement to providers
- Receives reimbursement for the administration of the Program

## **Eligible Institutions (Sponsoring Organizations)**

The following types of institutions are eligible to apply to be a sponsor of Family Day Care Homes:

- Public institutions – municipal, county, state, Federal or tribal organizations
- Non-Profit organizations – organizations with IRS tax-exempt status

## **Reimbursement Rates**

Meal reimbursement is based on the Provider tier (see [Chapter 4 Eligibility Determination—Tiering](#)) and the number and type of meals served (breakfast, lunch, snack, or supper).

Sponsoring Organizations are reimbursed for administrative costs based on the number of family day care homes claiming reimbursement each month.

The Federal government adjusts the sponsoring organization administrative rates of reimbursement and meal reimbursement rates every year on July 1.

## **Meal Pattern Requirements**

Sponsoring Organizations must require providers to meet program meal pattern requirements to receive meal reimbursement. Meals must contain the *required food components* (see [Chapter 9 Meal Service Requirements](#))

For infant meal pattern requirements, see [Chapter 11 Infants](#)

## **Maximum Reimbursable Meals and Snacks Providers Can Claim**

**Providers may be reimbursed for a maximum of two meals and one snack, OR two snacks and one meal per participant per day.**

## **WIC Program Information.**

Provider sponsoring organizations are required to make the following information available to all sponsored providers:

- Importance and benefits of WIC
- WIC income eligibility guidelines

Provider sponsoring organizations are also required to inform providers that this information is to be made available to the parents/guardians of all enrolled children.

WIC is the Special Supplemental Nutrition Program for Women, Infants and Children. This public health program is designed to improve health outcomes and influence lifetime nutrition and health behaviors in a targeted, at-risk population. Nutrition education is the cornerstone of the WIC Program.

Information on WIC and WIC income eligibility guidelines is available on the WIC website. The link to the WIC website is located on the [Oregon WIC Program](#) webpage.

## Section B – Record Keeping Requirements

All CACFP records must be kept for three years plus the current program year, or until all audit or review findings are corrected, whichever is longer. Files of Providers who have been terminated from the CACFP for cause must be retained for seven years.

Sponsoring Organizations must maintain the following records:

- State Agency-Sponsor Agreement—see:
  - [Chapter 2 Sponsoring Organization Application and Renewal](#)
- Sponsor – Provider Agreement – see:
  - [Chapter 2 Sponsoring Organization Application and Renewal](#)
- CACFP Sponsoring Organization and Provider Information Changes and Updates in CNPweb—see:
  - [Chapter 2 Sponsoring Organization Application and Renewal](#)
- Sponsoring Organization Budget—see:
  - [Chapter 3 Budget](#)
- Tiering Documentation—see:
  - [Chapter 4 Tiering](#)
  - [Chapter 5 Eligibility Determination--CIS](#)
- ODE CNP Correspondence—see:
  - [Chapter 6 Program Operations](#)
- CACFP Child Enrollment Forms—see;
  - [Chapter 6 Program Operations](#)
- Reimbursement Claim—see:
  - [Chapter 8 Reimbursement Claims](#).
- Reimbursement Claim Records—see:
  - [Chapter 8 Reimbursement Claims](#) for more information on reimbursement claim records.
- Procurement Records—see:
  - [Chapter 9 Procurement](#)
- Medical Statements for Participants with Disabilities and Non-disabled Participants—see:



- [Chapter 10 Meal Service Requirements](#)
- Training Documentation—see:
  - [Chapter 12 Training Requirements](#)
- Provider Monitoring Documentation—see:
  - [Chapter 13 Monitoring](#)
- Civil Rights Documentation
  - [Chapter 14 Civil Rights](#)
- Audit Report Records—see:
  - [Chapter 16 Audits, Administrative Reviews & Serious Deficiencies](#)

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# CHAPTER 2 SPONSORING ORGANIZATION APPLICATION & RENEWAL

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## Section A – New Applicants: Getting Started in the CACFP for Provider Sponsors

The CACFP is a Federally-funded, entitlement program. By agreeing to participate, applicants accept final administrative and financial responsibility for the operation of the Program according to Federal and State laws, regulations, and policies. This section provides an overview of the necessary steps to complete the application process.

ODE CNP reviews application documents to determine if applicants have the capability to comply with the Performance Standards and demonstrate they are financially viable, administratively capable, and have internal controls in effect to ensure program accountability to successfully operate as a Family Day Care Home (Provider) Sponsoring Organization.

To sponsor family day care homes, an applicant must demonstrate it will serve an unmet need by sponsoring eligible providers who are not participating with current Provider sponsors. An applicant will submit a management plan which must demonstrate that its participation will help ensure the delivery of Program benefits to otherwise unserved facilities or participants,

An applicant must demonstrate that it will use appropriate practices for recruiting facilities and eligible providers, consistent with State agency requirements. Recruitment requirements are discussed in [Chapter 6 Program Operations](#).

The applicant may not recruit Providers that are currently participating in the CACFP under an existing Provider sponsor.

### **Eligible Organizations**

#### **Public Agency**

This is an agency administered by a city, county, state, federal, or tribal government which includes public schools, community colleges, colleges and universities

#### **Private Non-Profit Organization**

The U.S. Internal Revenue Service (IRS) must determine the potential applicant to be a federally tax-exempt, private, non-profit organization. As part of the application process the applicant must provide a copy of the formal determination letter from the IRS of its tax-exempt status.

### **Performance Standards**

Financial viability standards are in place to ensure sponsoring organizations are qualified and capable of running the Program. State agencies are prohibited from approving applications unless all performance standards are met as outlined in 7 CFR 226.6(b)(1)(xviii) and 7 CFR 226.6(b)(2)(vii).

#### **Performance Standard 1: Financial Viability and Financial Management**

Sponsoring Organizations must be financially viable. Program funds must be expended and accounted for in accordance with the requirements of FNS Instruction 796-2 Rev. 4, 7 CFR 226.6, and 2 CFR 200 subpart D.

To demonstrate financial viability, the applicant must document that it meets the following criteria:

- *Description of need/recruitment*

A new institution must demonstrate in its management plan that its participation will help ensure the delivery of Program benefits to otherwise unserved facilities or participants. A new sponsoring organization must demonstrate that it will use appropriate practices for recruiting facilities, consistent with any State agency requirements.

- *Fiscal resources and financial history*

The sponsor must demonstrate that it has adequate financial resources to operate the CACFP on a daily basis, has adequate sources of funds to continue to pay employees and suppliers during periods of temporary interruptions in Program payments and/or to pay debts when fiscal claims have been assessed against the institution, and can document financial viability (for example, through audits, financial statements, etc.).

- *Budgets*

All costs in the institution's budget must be necessary, reasonable, allowable, and appropriately documented.

### **Performance Standard 2: Administrative Capability**

Sponsoring Organizations must have in place appropriate and effective management practices to ensure that the Program operates in accordance with CACFP regulations. To demonstrate administrative capability, the applicant must meet the following criteria:

- *Adequate, Qualified Staff*

The sponsor must employ an adequate number and type of qualified staff to ensure the operation of the Program in accordance with CACFP regulations. The sponsor must document on its management plan the positions/ titles responsible for CACFP management functions. The sponsor must document on its budget that it employs staff sufficient to meet the ratio of monitors to facilities

- *Policies and Procedures*

The sponsor must have Program policies and procedures in writing that assign Program responsibilities and duties, and ensure compliance with USDA civil rights requirements

### **Performance Standard 3: Program Accountability**

Sponsoring Organizations must have internal controls and other management systems to ensure fiscal accountability and Program compliance with the requirements. To demonstrate program accountability the applicant must meet the following criteria:

- Internal controls and other management systems in effect to ensure that the Program operates in accordance with the requirements of the CACFP.
- A financial management system that is directed to the effective control over and accountability for all funds, property and other assets to assure that they are safe-guarded and used efficiently to fulfill authorized purposes. Financial management includes such activities as budgeting, costing standards, internal control, management of revenues and expenses, management of property, procurement standards and fiscal audits. Records of these activities

must be supported by source documents that accurately and completely disclose the sources and uses of funds.

To demonstrate Program accountability, sponsoring organizations must meet the following criteria:

- Board of Directors

The sponsor must have an independent governing board of directors that provides adequate oversight of the Program.

- Fiscal Accountability

The sponsor must have a financial management system with controls specified in writing. The written operational policies must ensure:

Fiscal integrity and accountability:

- a. Maintain integrity and accountability of all expenses incurred for authorized Program purposes
- b. Ensure all claims submitted for reimbursement are true and correct; processed accurately; and submitted in a timely manner.
- c. All funds and property are properly safeguarded and used for authorized Program purposes
- d. A system of safeguards and controls is in place to prevent and detect improper financial activities by employees

- Recordkeeping

The sponsor must maintain appropriate records to document compliance with Program requirements, including budgets, accounting records, approved budget amendments, management plans and appropriate provider records.

- Program Operation Compliance

- a. Provide adequate and regular training of sponsoring organization staff and sponsored facilities in accordance with § 226.15(e)(12) and (e)(14) and § 226.16(d)(2) and (d)(3)
- b. Perform monitoring in accordance with § 226.16(d)(4), to ensure that sponsored providers accountably and appropriately operate the Program
- c. Accurately classify day care homes as tier I or tier II in accordance with § 226.15(f)
- d. Have a system in place to ensure that administrative costs funded from Program reimbursements do not exceed regulatory limits set forth at §§ 226.12(a) and 226.16(b)(1);

- Meal service and other operational requirements

Sponsoring organizations will follow practices that result in the operation of the Program in accordance with the meal service, recordkeeping, and other operational requirements of the Program. These practices must be documented in the sponsoring organization's management plan and must demonstrate that sponsored providers will:

- a. Provide meals that meet the meal patterns set forth in § 226.20;
- b. Comply with licensure or approval requirements set forth in paragraph (d) of this section;
- c. Have a food service that complies with applicable State and local health and sanitation requirements;
- d. Comply with civil rights requirements;
- e. Maintain complete and appropriate records on file; and
- f. Claim reimbursement only for eligible meals.

## Section B - The Application Process

After the applicant contacts ODE CNP to determine initial eligibility, the applicant must successfully complete the following steps in the application process to become a sponsor of Providers in the CACFP:

Step 1: Preliminary Screening

Step 2: Application

Step 3: Training

Step 4: Pre-Approval Review

Step 5: ODE CNP approves or denies application

### ***Step 1: Preliminary Screening***

The potential applicant will complete a Preliminary Application form and submit the completed form to ODE CNP for screening. If the initial screening determines that the applicant is eligible ODE CNP will provide the instructions for the application process.

### ***Step 2: Training***

The assigned Child Nutrition Specialist will provide the applicant with necessary resources and training. The training covers basic CACFP requirements and may be conducted in-person, on-line, or both.

The applicant organization's officials, who will have the final authority to administer the CACFP, are required to take the training (Example: applicant's intended CACFP Authorized Representative, Food Program Coordinator, and Financial Contact). Program staff members who will have CACFP responsibilities may take the ODE CNP training. The applicant is required to train all staff who will have assigned CACFP duties on the CACFP requirements.

### ***Step 3: Application***

The assigned Child Nutrition Specialist will provide the applicant with online and off-line application instructions and the location of required documents. The specialist will work with the applicant to complete all required online and off-line application materials.

#### ***Additional information required for application:***

- Signed State Agency- Sponsor Agreement
- Federal IRS tax exempt determination letter for Non-Profit sponsors with 501(c)(3) status.
  - If the applicant is a religious organization, a letter from the religious institution is also required.
- Business Bank Statements for previous three months
- Organizational Profit & Loss Report
- Form W9
- Board of Director meeting minutes

- DUNS number
- Outside Employment Policy
- CACFP Administrative Budget
- Organizational Budget
- Written Organizational Compensation Policy
- Single Audit
- CNPweb sponsor and provider Information forms
- If the sponsoring organization's main office is outside the State of Oregon, the location of this office must be listed on the application documents. This location will be verified during the application process.

### ***Completing the Management Plan***

An important part of the application is the Management Plan for CACFP. ODE CNP requires detailed information to determine applicant viability, accountability and capability. The Management Plan should be used as a guide to run and manage the CACFP operations. It is a business plan that demonstrates the sponsoring organization's ability to meet the CACFP performance standards. It includes information about an applicant's administrative structure including but not limited to the following:

- Positions/titles of staff assigned to CACFP functions
- Organizational chart
- List of Non-Profit Governing Board members.
- Organization's planned CACFP procedures and forms

### ***Application Review by ODE CNP***

The assigned Child Nutrition Specialist will review the application for completeness and for compliance with regulations and policies. Further information or clarification may be requested in order for ODE CNP to determine the on-line and off-line application materials are complete and accurate.

If an application is not completed in a timely manner or does not demonstrate the applicant's viability, accountability and capability to operate the CACFP, the application will be denied.

### ***Step 4: Pre-Approval and Technical Assistance Review***

Once application materials are determined to be complete and accurate, a Child Nutrition Specialist will review the applicant's operation prior to final approval; this review is called a Pre-Approval Visit.

Applicants must have in place systems that will ensure compliance with all record keeping requirements prior to the Pre-Approval Visit or approval of the application will be delayed or denied. The Pre-Approval Review will:

- Evaluate systems that have been established (e.g., accounting system, monitoring

system, record retention system, serious deficiency process, tiering procedures, menu evaluation, staff/ provider training, etc.)

- Assess the applicant's ability to correctly implement the Provider Tiering requirements.
- Review financial management system controls and organizational accounting practices
- Review Civil Rights requirements compliance.
- Check for implementation of the applicant's Management Plan as submitted.
- Provide technical assistance, as needed, to improve program quality

### ***Step 5: ODE CNP Approves or Denies the Application***

After the Pre-Approval Visit, ODE CNP will either approve or deny the potential sponsor's application. If approved to sponsor Family Day Care homes, ODE CNP will provide technical assistance on submitting monthly claims through ODE CNP's online system, [CNPweb](#). See [Chapter 8 Reimbursement Claims](#) for more information on the reimbursement claim process.

### **Denial of an Application**

The potential sponsor's application must meet all of the requirements required for application; otherwise, ODE CNP must deny the application. Denial of participation in the CACFP is an appealable action. If ODE CNP determines that an application is denied, the applicant will be provided with appeal procedures.

See [Chapter 16 Audits, Administrative Reviews and Serious Deficiency](#) for more information on the Appeal Process.

## **Section C – Provider (Family Day Care Home) Sponsoring Organization Renewals**

### **Renewals**

The CACFP operates on the Federal fiscal year, which begins on October 1 and ends September 30. Prior to the beginning of each fiscal year, ODE CNP sends a renewal letter outlining the renewal application and budget (see [Chapter 3 Budgets](#)) requirements and instructions to each sponsor. Failure to submit a complete and correct renewal application by the deadline may result in delay or disruption of reimbursement, or ultimately in termination of the *State Agency-Sponsor Agreement*. The deadline for submitting renewal applications is included in the application renewal instructions.

Renewing FDCH sponsoring organization must submit sufficient information to document that it meets the Performance Standards. These standards are in place to ensure sponsoring organizations are qualified and capable of running the Program. USDA prohibits State agencies from approving renewing applications unless all performance standards are met. All requirements for renewals are included with the renewal letter annually.

Sponsoring organizations are required to submit complete and accurate information by the assigned deadlines and provide timely responses to ODE CNP inquiries and requests for clarifying and/or



additional information. Sponsors will work closely with their assigned specialist and the finance and audit specialist during the application renewal process.

## Section D –Requirements for Family Day Care Homes (Provider)

All Family Day Care Home Providers (Providers) operating under an agreement with a sponsor must meet specific eligibility requirements:

1. The Provider must be either:
  - Registered or certified by the [Oregon Office of Child Care \(OCC\)](#)
  - Listed by the [Department of Human Services \(DHS\)](#)

*Copies of eligibility documentation must be kept on file by the sponsor.*

2. The Provider must provide non-residential childcare services in a residential setting.
3. The Provider must not be on the CACFP National Disqualified List.
4. If the Provider is owned by an individual or organization other than the provider, the Provider business owner must not be on the CACFP National Disqualified List.

### **Oregon Office of Child Care (OCC) Approval**

All Oregon Provider providers that are required by law to be OCC-registered or certified must have current OCC approval in order to receive CACFP reimbursement. For OCC requirements, please contact the [OCC directly](#).

### **Department of Human Services Listing**

DHS-listed providers must be listed with DHS in the month claimed to receive CACFP reimbursement.

For DHS listing requirements, please contact [DHS](#) directly by going to their website: [Information for Providers](#).

### **Tribal Approval**

Some Oregon tribes have an approval process for family day care providers that meet the eligibility requirements for participation in the CACFP. For more information on qualifying a Provider through tribal approval, please contact your assigned Child Nutrition Specialist. Tribes will be required to submit written eligibility procedures and requirements for family day care providers to receive a tribe-issued registration or certificate.

## Section E – Provider Application Process

Day care homes applying to participate in the CACFP shall operate under the auspices of a public or private non-profit sponsoring organization. The application process includes:

- Recruitment
- Train provider
- Pre-approval review by the sponsor
- Completion of the application documents:
  - Child and Adult Care Food Program (CACFP) agreement between Sponsoring Organization and Day Care Home Provider

- Child and Adult Care Food Program Family Day Care Home Provider Information & Site Application
- Verify OCC or DHS approval
- Check NDL for provider, and business owner (if applicable)
- Tier designation
- Check of Oregon Secretary of State Business Registry for business and owner(s) name
- Application review and approval by the sponsor
- *CNPweb on-line forms*

### **Recruitment**

Recruitment of providers is discussed in Chapter 6 – Program Operations Section A – Sponsor Responsibilities for Program Administration.

### **Pre-approval Visit**

Sponsors must conduct pre-approval visits to homes that wish to participate in the Program. During the pre-approval visit, the sponsor or sponsor’s monitor must discuss Program benefits and requirements and make sure that the Provider is capable of providing the proposed food service [7 CFR §226.16(d)(1)] (see Chapter 12 Monitoring).

### **Training**

All new providers must be thoroughly trained in all their responsibilities for the operation of the CACFP. Chapter 12 Training covers all the training requirements for new providers.

### **Application**

Sponsors will have each provider complete and submit the *Child and Adult Care Food Program Family Day Care Home Provider Information & Site Application*. Within the Application, sponsors must include information on the business owner. If providers do not know the business owner information, the application cannot be completed and approved until the business owner information is obtained.

### **Approving the application**

Sponsors must confirm and document the provider is eligible to participate in CACFP as noted above (e.g. OCC certified/registered, DHS listed, tribal approved). The business owner information will allow sponsors to determine if the owner(s) are on the National Disqualified List. When a new application is submitted and the provider and/or business owner(s) are on the National Disqualified List, that home/provider cannot be approved for Child and Adult Care Food Program (CACFP) participation.

ODE CNP requires sponsors to use an additional means to verify home ownership information. The [Oregon Secretary of State’s business registry web site](#) has information on business owners, which can be searched by the business name or the individual names (provider and business owner). Sponsors must look up the provider name, business name (if listed on the application), and any owners, if indicated, on the Oregon Secretary of State. The registry PDF documents can also be opened, when available. These documents generally show business ownership. If the provider is not listed on the Secretary of State site, sponsors must take steps to inform the provider they should be a

registered business with the State of Oregon. This must also be done if the registration is expired or inactive.

### **Incorporated Providers**

A corporation may sponsor more than one provider. If a provider has a corporation that sponsors more than one Provider and wishes to participate in the CACFP, they must comply with these requirements:

- Each home must be operated by a different provider;
- Each provider must have an individual CACFP agreement with a sponsor;
- The license/registration must be issued to the provider, not the corporation.
- CACFP payments must be made to each provider, not the corporation

A provider information sheet for each provider to be sponsored by the corporation must be added in CNPweb. The completed sheets must then be submitted for approval by ODE CNP.

For additional information on Incorporated Providers, refer to [CACFP Policy Memorandum #1-98](#).

### **Agreements**

Once the application has been approved and pre-approval visit completed sponsoring organizations shall enter into a written permanent agreement with each sponsored day care home which specifies the rights and responsibilities of both parties. Sponsors will use the ODE CNP form *Child and Adult Care Food Program (CACFP) Agreement Between Sponsoring Organization and Day Care Home Provider*.

When all above has been completed by the sponsor, they may proceed to add a provider information sheet in CNPweb and submit it to ODE CNP for approval. Sponsors must submit to ODE CNP a copy of the *Child and Adult Care Food Program Family Day Care Home Provider Information & Site Application and a copy of the Agreement*.

### **New Facility Home Review**

Providers that are new to CACFP must be reviewed by their sponsoring organization at least once during the first four weeks of Program operations. During this review, sponsors should go over the primary Program topics as outlined in Chapter 12 Training. This discussion helps lessen the possibility of critical errors that could result in meal disallowances [7 CFR 226.16(d)(4)(iii)(B)].

### **Revisions and Renewal**

Sponsoring organizations must continually update the Provider Info Sheets in CNPweb when the provider's information changes, e.g. eligibility, meal service times, address, tiering, licensing, etc. Sponsoring organizations must submit revisions to Provider Info Sheets in CNPweb to update the change officially with ODE CNP. During the CACFP renewal period, sponsoring organizations must submit the Provider Info Sheets for all active providers per ODE CNP renewal instructions.

## Section F – Start-Up and Expansion Grants

Provider Sponsors may request a Start-up or Expansion Grant. Start-up grants are available to new sponsors and used to develop a successful Family Day Care Home (FDCH) Sponsoring Program. Expansion Grant funds are used for current sponsors to expand into un-served rural and/or low-income areas. [7 CFR 226.12(b)]

### **Start-up Grants**

*Start-up grants* are available to FDCH sponsor applicants and participating FDCH sponsors with less than 50 homes for administrative expenses associated with start-up activities. Start-up payments may include administrative expenses associated with outreach and recruitment of unlicensed family or group day care homes and the allowable licensing-related expenses of such homes.

Applicants must justify the Start-up Grant funding requests. Once funded, the sponsor must retain and submit all receipts and documentation of expenditures. Sponsors are eligible for Start-up Grant funds only once and may not retain any start-up payments in excess of its actual costs for the expenditures specified in the start-up funds agreement.

Applicants will obtain Start-Up Grant application from ODE CNP.

### **Expansion Grant**

Only current sponsors are eligible for Expansion Grants. Expansion Grants must be used to expand into rural and/or low-income areas. Sponsors are eligible to receive Expansion Grants only once per fiscal year.

Sponsors must justify the Expansion Grant expenses as well as retain all receipts and documentation of expenditures.

Expansion Grants are calculated by multiplying the number of homes the sponsor wants to add (with a maximum cap of 50) by at least one month's current administrative rate but by no more than two month's current administrative rate.

- For example, if a sponsor has 75 homes and would like to expand to 125 homes, then  $125 - 75 = 50 \times \text{current administrative rate} = \text{Expansion Grant amount}$ .

Sponsors may annually request an Expansion Grant but each Expansion Grant must be justified and target a different low-income or rural area.

### **Requesting a Start-up or Expansion Grant**

Contact your assigned Child Nutrition Specialist to obtain an application for Start-up or Expansion Grant funds. The sponsor will complete and submit the application to ODE CNP.

The application includes the submission of a realistic plan for recruiting day care homes to participate in the CACFP, including the activities that the sponsor will undertake and the time frame needed to complete.

The sponsor must request the type of grant, the amount of funds needed to implement their plan, and a budget detailing the documented costs which the sponsor will incur. When requesting an Expansion Grant the sponsor must submit documentation that indicates that the proposed expansion area meets the low-income and rural area standards.

Prior to the release of funds, the sponsor must enter into an agreement with ODE-CNP to repay, upon demand by ODE-CNP, any Start-up or Expansion Grant funds not expended in accordance with the agreed upon expansion plan.

## Section G- Advance Administrative Payments

Sponsoring organizations have the opportunity to request an advance payment. Advance payments are intended to help cash flow and allow FDCH sponsors meet payroll and other obligations while awaiting the monthly CACFP administrative reimbursement. ODE CNP will determine the amount of the monthly advance available based on the Sponsoring organizations monthly claim activity. ODE CNP recovers the advance each month from administrative reimbursement payments. Sponsors may choose to withdraw their request for advance payments at any time. Sponsors who receive advance funds are responsible to return the full amount of the outstanding advance when participation in the CACFP ceases.

## Section H – Termination of the State Agency—Sponsor Agreement

Sponsors may choose to terminate their State Agency-Sponsor Agreement at any time. The State Agency-Sponsor Agreement states that the sponsor's Authorized Representative must provide a 30-day written notice of their intent to terminate the agreement.

ODE CNP will work with a sponsor to assist them in this process. Please contact your assigned Child Nutrition Specialist as early in the decision process as possible. This will allow sufficient time to provide technical assistance to allow the process to move forward in a timely manner.

The State Agency may terminate this agreement and disqualify the sponsor and the responsible principals and responsible individuals per 7 CFR 226.6 under certain and specific situations.

- If the Sponsor operates in one or more States and has been disqualified from the Program by another State agency, then ODE CNP must initiate action to terminate the Sponsor's agreement and initiate action to disqualify the institution and any responsible principals and responsible individuals.
- See [Chapter 16 Audits, Administrative Review & Serious Deficiencies](#) for a list of serious deficiencies for participating institutions.

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# CHAPTER 3 ADMINISTRATIVE BUDGET & FINANCIAL MANAGEMENT

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Each Sponsoring Organization must establish an administrative budget every federal fiscal year and submit budget revisions as required. ODE CNP evaluates and approves the administrative budget for costs that are allowable, necessary and reasonable.

The FDCH Administrative Budget must reflect all planned expenditures and anticipated resources to operate the CACFP for the fiscal year. The budget is a management tool that should be used to plan spending in an organized and controlled manner. . Once the initial budget has been approved, the sponsoring organization is expected to adhere to it. Since the budget is developed in advance, and is a spending plan, it is normal and expected that budget revision(s) will be necessary. Approval for budget revisions must be given by ODE CNP before sponsoring organizations may make proposed expenditures as costs incurred prior to the effective date of the budget revision are unallowable.

Sponsoring organizations must have a financial management system and internal controls in place to accurately identify all federal funds received and expended. Administrative reimbursement, provider pass-through funds and carryover funds must be accounted for separately from each other. Accounting reports must accurately identify the revenue, expenses and balance of each source of funds.

## **Section A – General Budget Guidance & Instructions**

### **Considerations for Preparing the CACFP Administrative Budget**

Each sponsoring organization of family day care homes is entitled to administrative reimbursement. Every federal fiscal year each sponsor must submit an administrative budget to ODE CNP for approval. The budget must identify an adequate level of funding for all required administrative functions, including but not limited to training, monitoring, financial management, record keeping and reporting. The following guidance materials must be used when completing the budget:

- ODE CNP Administrative Budget Guidance & Instructions (located on the Packet page in the CNPweb Sponsor Summary)
- FNS Instruction 796–2 Rev 4, Financial Management in the Child and Adult Care Food Program
- 2 CFR Part 200 Uniform Grant Guidance
- Sponsor’s Policies and Procedures

### **Monitoring Standards**

All sponsoring organizations are required to meet the full-time equivalent (FTE) staff requirement for monitoring responsibilities. FDCH Sponsors must employ staff sufficient to ensure that for each 50-150 homes sponsored, at least one full-time equivalent (FTE) staff year is devoted to monitoring. A full-time equivalent staff year is the amount of work that one person working full-time (40 hours per week) would perform in a year. The monitor to staff facility ratio is documented in the FDCH Administrative budget. Monitoring related activities include but are not limited to: all activities related to conducting on-site reviews (review preparation, travel, report writing, conducting follow-up), onsite training, technical assistance, claims processing, and menu reviews.

### **Administrative Reimbursement**

CACFP regulations establish limits on the amount of administrative reimbursement payments sponsoring organizations of day care homes can receive. Payments will be made based the homes times rates calculation.



The budget is based on the administrative reimbursement the sponsor estimates it will receive based on the number of homes that claim for meal reimbursement each month; plus Program income, if any, and carryover funds. Some sponsors may overestimate their budgets to assure reimbursement potential, however, the practice of inflating the budget tends to increase expenditures in excess of available reimbursement, thereby jeopardizing sponsor financial viability. ODE CNP cannot approve a budget that will jeopardize sponsor financial viability.

**There is no guarantee that payments will cover actual costs incurred. Organizations must maintain solvency to meet CACFP eligibility requirements.**

ODE CNP has the authority and responsibility to determine that all sponsoring organizations are financially viable; disallow expenditures that are not in the approved budget; or declare a sponsor seriously deficient on the basis of its improper use of CACFP administrative funds.

### **Non-Program Funds**

The budget must demonstrate the sponsoring organization's ability to manage the CACFP Family Day Care Home Sponsorship and document financial viability. An Institution must demonstrate that it has adequate financial resources to operate the CACFP on a daily basis, and has adequate sources of funds to continue to pay employees or suppliers during periods of temporary interruptions in Program payments. Sponsoring organizations must have a funding source(s) in addition to the CACFP administrative reimbursement. These funds must be identified on the budget and be available to cover over claims or any unallowable costs.

### **Carryover Funds**

Provider sponsors may *carry over* unspent administrative payments (up to 10% of total payments) from one fiscal year into the next. CNPweb tracks eligible carryover funds based on sponsor's accurate reporting of monthly administrative expenditures. Carryover funds should be spent on a first-in, first-out basis. Unspent carryover funds are returned to ODE CNP in the claims process.

The following functions in CNPweb will be completed each year:

- ODE CNP will provide an estimated amount of carryover funds available based on administrative expenses reported in CNP web. This information will be on the FDCH Administrative Budget received during the application renewal.
- Sponsors must enter the amount of carryover funds they will accept. The carryover amount accepted plus the Expected Annual Reimbursements (homes times rate calculation) will equal the Annual Maximum Allowed Budget.
- CNPweb will calculate the actual amount of carryover funds available after November 30 each year.
- Sponsors will report the carryover expenses on the reimbursement claim in which the funds were spent. This will begin with the October claim and reporting of funds will be ongoing until funds are spent
- When all carryover funds are spent and reported on the monthly claims, and the claims are in a Paid status, Sponsors will certify and submit the Carryover Expense Report. Sponsors should submit the Carryover Expense Report by January 31
- A budget revision may be required if the fiscal year Total Approved Budget Amounts in CNPweb exceed the maximum allowable budget. The ODE CNP Finance and Audit Specialist will contact sponsors if a budget revision is required.



## **Administrative Expenses**

For sponsoring organizations, the administrative budget is a financial roadmap used to operate the CACFP and a way to obtain State agency approval for CACFP costs. For State agencies, the administrative budget serves as a vehicle for approving allowable costs, determining administrative capability and determining financial viability. To charge administrative costs to CACFP, the sponsoring organization must have authorization of the Board of Directors and the approval of ODE CNP.

To be allowable, all costs:

- Must represent an actual operating/administrative cost incurred in the normal course of conducting the program
- **Must be allowable, necessary and reasonable** for proper and efficient administration of the program, and within the guidelines of the Food and Nutrition Service (FNS) Instruction 796-2, Rev. 4, Financial Management
- Must have Prior Approval and if applicable, Specific Prior Written Approval by ODE CNP,
- Must be authorized or not prohibited under state or local laws or regulations
- Must conform to any limitations or exclusions set forth in FNS Instruction 796-2, Rev. 4, Federal laws, or the governing regulations as to types or amount of cost items
- Must be accorded consistent treatment through the application of generally accepted accounting principles
- Must not be assignable or included as a cost to any other federally financed program in either the current or prior period
- Must be the net of all applicable credits
- Must be properly allocated
- Must be adequately documented

### **Prior Approval**

All expenses claimed by sponsors require written approval **prior** to expenditure. ODE CNP will provide its approval of the budget in writing. Once the budget, is approved the sponsoring organization may expend funds as presented in the budget unless ODE CNP has specifically disallowed the cost in writing.

### **Specific Prior Written Approval**

Certain costs are *not* allowed unless ODE CNP has provided the sponsor with specific prior written approval of both the cost and the amount of the cost that can be charged to the program before the cost is incurred. Such costs are not customarily incurred in the routine operation of the CACFP but can sometimes be necessary and reasonable for proper and effective program operations.

Special consideration is required whenever a transaction lacks independence, or the integrity of the transaction could be compromised. Examples of costs requiring special consideration include: all less-than-arms-length transactions; compensation to members of non-profit institutions trustees, directors, associates, and officers or their immediate families; and all special lease arrangements. When a special consideration exists, specific prior written approval is required. The sponsor must identify and request approval of these costs during the annual budget approval process or submit a separate request to ODE CNP. Approval of a budget line item does not constitute adequate specific prior written approval for these costs. ODE CNP must approve or deny these specific requests in writing.

## **Disclosure**

All related party transactions, less-than-arms-length transactions, and board-staff relationships must be disclosed to ODE CNP. Failing to disclose required information will result in the disallowance of the cost and may subject the institution, its principals, employees and others to the administrative and legal remedies available to the ODE CNP and FNS.

## **Budget as a Management Tool**

A good FDCH administrative budget will always be aligned with the Program's performance standards and will clearly support activities in the Management Plan. Financial Viability, Administrative Capability and Accountability play a part in the administrative budget.

- Financial Viability can be shown with a positive relationship between revenue and expenses
- Administrative Capability can be shown by having adequate and qualified staff who possess skillsets and demonstrate capability of ensuring Program compliance
- Accountability can be shown by demonstrating the ability to record, track and report financial information as evidenced in official records and source documents.

An important aspect of managing the CACFP is monitoring the budget. Comparing the budget to actual on a monthly basis will identify financial health and the need for budget adjustments.

Sponsoring organizations are required to:

- Use the budget when making spending decisions. If an item is not in the approved budget, a budget revision must be requested. The revised budget must be approved by ODE CNP prior to incurring the expense
- Use the budget when charging expenses to the program. If an expense is not in the approved budget, the sponsor must charge the cost to non-CACFP funds
- Review the budget monthly to ensure adherence to line item totals when claiming administrative costs throughout the year

## **Budget Revisions**

Once the administrative budget is approved by ODE CNP, the sponsor is expected to adhere to the budget (i.e., pay salaries, contracts, rent, equipment, software, etc. as stated in the budget). ODE CNP will evaluate adherence to the approved budget during sponsor administrative reviews.

Without ODE CNP approval, sponsors may shift small amounts of money between line items in the approved budget, provided the total dollar amount of the budget is not increased, and no line item is increased by \$1,000 or 10 percent, whichever is less. The sponsor must keep proper documentation of these shifts and the reasons for doing so.

If a budget revision is required, contact the ODE CNP Finance and Audit Specialist for a revised budget spreadsheet.

Sponsors requesting a budget revision must submit the revised budget spreadsheet, a brief narrative explaining the budget revisions, and all supporting documentation (including the Board of Directors approval) to ODE CNP. Sponsors should allow ample time for ODE CNP to review and approve revised budget spreadsheets.

ODE CNP approval of budget revisions must be received before making proposed expenditures. Costs incurred prior to the effective date of the budget revision are not allowed.

**Budgets may not be revised after the end of the federal fiscal year.**

## Section B – Administrative Expenditures

### **Basic Guidelines for Determining Allowability of Costs**

Sponsors must account for all costs through the consistent use of generally accepted accounting principles. Costs must be reported on either a cash basis, which recognizes revenues and costs when cash is actually received and expended, or an accrual basis, which recognizes revenues and costs when incurred and uses payables and receivables. Regardless of the basis, all costs must be treated consistently. All administrative costs must be necessary, reasonable, and allowable for the proper and efficient administration of the CACFP. Necessary costs are defined as those costs that represent an activity or function that is recognized as ordinary and necessary for the operation of the Program and which must be accomplished to fulfill regulatory requirements for proper and efficient administration of the Program. Reasonable costs are those costs that do not exceed what a prudent person would incur under the same circumstances.

Administrative costs must be properly allocated so that only the allowable share of the cost is charged to the CACFP. These costs must be prorated on a consistent and rational basis in accordance with generally accepted accounting principles. Only the net cost is allowable. Administrative costs must be offset by applicable credits, such as purchase discounts, rebates or allowances, or erroneous charges.

### **Allocation of Costs**

Costs that benefit more than one program or benefit CACFP and non-CACFP activities must be properly allocated. Only the share of the costs that benefit the CACFP can be assigned as Program costs. Sponsors must provide documentation of the method used to allocate shared costs with their budget and receive specific prior written approval from ODE CNP. For any cost that is shared, the Sponsor must clearly document each item of cost, the total amount being paid by the organization, the portion of the cost assigned to the CACFP, and the method by which the CACFP portion was determined.

### **Unallowable Costs**

Not all expenses will be allowable costs. Unallowable costs cannot be charged to the Program or claimed for reimbursement. The organization's accounting records must segregate, account for and identify all unallowable costs. Further, unallowable costs must be included in the development of any cost allocation. Organizations must fund unallowable costs from non-Program sources. Some Costs that are allowable may become unallowable due to the actions or inactions of the Sponsor, for example any expense where the Sponsor failed to maintain the documentation to support the costs charged to the Program.

### **Administrative Expenditures in CNPweb**

FDCH sponsors are required to enter their monthly administrative expenditures in CNPweb when submitting monthly reimbursement claims. Actual expenses incurred are required to be entered per the schedules/budget categories of the approved budget.

- Administrative Labor (Schedule A)
- Supplies (Schedule B)

- Office Expenses (Schedule C)
- Travel (Schedule D)
- Training (Schedule E)
- Administrative Services (Schedule F)

All expenses entered in CNPweb must be actual expenses as documented in the financial management system and supported by source documentation. In addition to expenses, all monthly administrative income must be identified as such and entered in CNPweb. Examples of administrative income include: rebates on CACFP purchases, interest earned on CACFP funds, cash donations specifically earmarked for CACFP, proceeds from the sale of equipment, or income earned from the sale or licensing of materials developed using CACFP funds. Administrative income is required to be documented in the financial management system and reported in CNPweb.

## Section C – Financial Management

### **Financial Management Standards**

Sponsors are required to implement the following financial management standards. These standards must be applied to activities and funds related to administrative as well as provider reimbursements

- Provide accurate, reliable, current and complete disclosure of the financial results of the CACFP.
- Maintain records as part of the financial management and program administrative management system that accurately and fully identifies the source and use of funds for the CACFP. This includes both federal and non-federal funds. These records must identify obligations, un-obligated balances, assets, outlays, CACFP revenues, interest, and other income by source, debt, and other liabilities.
- Maintain effective control over and accountability for all funds, property, and other assets. Sponsors must adequately safeguard all such assets and assure they are used only for CACFP purposes.
- Conduct a comparison of outlays to budget amounts with a procedure for ensuring that the required prior approvals are obtained for variations between approved budget amounts and actual outlays.
- Ensure accurate and timely disbursements of provider payments.
- Establish written procedures for determining the reasonableness, allowability, and allocation of costs in accordance with 7 CFR 226, FNS Instruction 796-2, Rev. 4, and 2 CFR Part 200
- Maintain source documents that support the accounting records.
- Provide full disclosure of the financial management system, records, source documents, and results of CACFP operations upon request to representatives of the ODE CNP, USDA, external auditors, and other federal and state agencies.

### **Internal Controls**

Sponsors must meet the following objectives of maintaining adequate internal control over Program activities and funds. These objectives include:

- Properly recording and accounting of all transactions.
- Prepare reliable financial statements.
- Maintain accountability over assets.
- Comply with applicable laws, regulations, instructions, and guidance.
- Safeguard funds, property, and other assets against loss from unauthorized use or disposition.
- Ensure that only eligible FDCH providers receive CACFP funds and that the amounts provided are in accordance with Program regulations.

## **Administrative Reimbursement**

CACFP regulations establish limits on the amount of administrative payments sponsoring organizations of day care homes can receive. Administrative reimbursement is determined by multiplying the number of day care homes submitting a claim for meal reimbursement to the sponsoring organization during the month by the appropriate annually adjusted administrative reimbursement rate. Administrative expenses are limited to those on the approved FDCH Administrative Budget. Monthly administrative expenses are required to be entered into CNP web and the amounts entered in CNP web must match the amounts identified on financial management system reports. Claim revisions may impact the administrative reimbursement and as such must be documented in the financial management system. Administrative reimbursement funds must be tracked separately from provider meal reimbursement pass-through and carryover funds.

## **Provider Meal Reimbursement Pass-through Funds**

Sponsoring organizations are required to make payments of meal reimbursement funds to day care home providers within five working days of receipt of the funds from ODE. 100% of the funds received must be distributed to family day care home providers. Controls must be in place to prevent using these funds for any other purposes. Claim revisions are subject to the same requirements as the original claim and all revisions must be documented. Sponsoring organizations must maintain documentation that the integrity of family day care home provider payments are maintained at all times. A bank reconciliation must be conducted at least monthly that identifies liquidated and unliquidated payments by check number or EFT account number. Sponsoring organizations must make a good faith effort to contact day care home providers who have been issued checks that have not been presented timely to the bank. Once the bank's date for honoring the check has passed, the sponsoring organization must remit the amount of the payment to ODE with an explanation. Provider pass-through funds must be tracked separately from administrative reimbursement and carryover funds.

## **Carryover Funds**

Sponsoring organizations may carry over to the next Federal fiscal year a maximum of 10 percent of administrative reimbursements earned but not expended in the current fiscal year. Any remaining unspent funds over the 10 percent limit must be returned to ODE. First-in first-out accounting procedures must be used for the expenditure of carryover funds, (Example: applying the carryover funds to October, November & December claims in that order until they are spent) Sponsors are not required to accept carry over funds and may choose to return them to the State agency. Carry over expenses are limited to those on the approved FDCH Administrative Budget. Carryover funds must be tracked separately from administrative reimbursement and provider meal reimbursement pass-through funds.

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# CHAPTER 4 TIERING

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Providers are reimbursed based on a two-tiered system. The tier designation determines the reimbursement rate the Provider receives for meals served. Tier 1 provides a higher reimbursement rate; Tier 2 provides a lower reimbursement rate. All providers are eligible to be qualified as Tier 2 providers; however, many providers may qualify for Tier 1 if the provider meets the Tier 1 criteria.

## Section A – Tier Reimbursement

### Tier 1

Tier I Providers receive the higher Tier 1 reimbursement rates for all enrolled children.

Providers are eligible for Tier 1 rates if:

- The day care home is located in the attendance area of a school with 50% or more eligibility for free/reduced-price meals. (See [Section B – Tier 1 Area Eligibility](#)), or
- The Provider’s household is determined to be income eligible based on income information reported on the provider’s [Confidential Income Statement](#) (CIS) (see Chapter 5 Eligibility Determination—Confidential Income Statements).

### Tier 2

- **Tier 2 High**: This is a provider who receives the higher Tier 1 reimbursement rate when:
  - The Tier 2 provider has elected to distribute CIS to the households of all enrolled children, and
  - All enrolled children have been determined to be Tier 1 eligible based on CIS
- **Tier 2 Low**: This is a provider who receives the lower Tier 2 reimbursement rate if:
  - The Tier 2 Provider has elected not to distribute CIS to the households of their enrolled children, OR
  - The Tier 2 Provider elected to distribute CIS to the households of all enrolled children and none of the Tier 2 Provider’s enrolled children have been determined to be Tier 1 eligible based on CIS
- **Tier 2 Mixed**: This is a provider who receives a combination of Tier 1 and Tier 2 reimbursement rates. A Tier 2 Mixed provider has:
  - Elected to distribute CIS to the households of all enrolled children, and
  - At least one of their enrolled children has been determined to be Tier 1 eligible based on CIS, and
  - At least one other enrolled child has been determined to be Tier 2 eligible

## Section B – Tier 1 Eligibility

### Area Eligibility Based on School Data

The Richard B. Russell National School Lunch Act (NSLA) permits the use of the most recent school or census data to determine eligibility of CACFP day care homes without prioritizing either data source. In order for a provider to be determined area eligible, school data must indicate that the proposed meal location is located in a school attendance area where at least 50 percent of the children are eligible for free or reduced price school meals



If a provider lives within the boundary of *any* school on the *Child and Adult Care Food Program Oregon Schools with >50% Free and Reduced Price Eligibility list*, they will qualify as Tier 1 by area for **five** years from the date of eligibility determination. The list contains all elementary, middle, junior high and high schools that have  $\geq 50\%$  Free and Reduced Price eligible students. After five years, or if an area-eligible provider moves to a new location, the sponsor must re-determine the provider's area eligibility.

ODE CNP updates and distributes the eligible school list February of each year and Sponsors must implement the changes effective March 1 of the same year.

The school in whose attendance area the provider's day care home address is located, must be on the current ODE CNP list of schools at the time you make the tier determination.

Sponsors must retain documentation of all school data used in tier determinations. Failure to retain adequate documentation could result in denial of a Provider's Tier 1 eligibility and additional adverse action against the sponsor's organization

Sponsors cannot use school eligibility data obtained directly from schools.

### **Area Eligibility Verification Requirements**

To document Tier 1 area eligibility, sponsors must obtain written documentation verification from the school that the provider's day care home address is located within the school boundary.

Documentation to verify school boundary areas may be obtained by one of three options:

- Email, mail or fax a request to the school requesting if an address is within the boundary. The school can reply in writing and this must be placed in the provider file along with a copy of the appropriate page from the Tier 1 School List.
- Obtain a **dated** detailed map from the school. The map must show specific streets, roads or geographic landmarks for the boundaries. This type of map may not be available from all school districts. Locate the exact address and mark the map. A photocopy of the map section with **the effective date of the map** and a copy of the appropriate page from the ODE CNP Tier 1 School List must be kept in the provider file.
- Use official websites maintained by school districts which identify school boundaries based on address. Sponsors must obtain assurance from the school district that the information on the website is current and official. A printout of the information and a copy of the appropriate page from the Tier 1 School List must be kept in the provider file.

**Note:** Some areas or small towns may have schools that serve the entire town or school district. In this case, it is acceptable for the "attendance area" from which the school draws attendance to be the entire town or school district.

**Open Enrollment:** If sponsors determine that a school district has open enrollment, please contact your assigned Child Nutrition Specialist. They will investigate and make any required changes in the data, if needed.

Most districts with open enrollment have a limited policy allowing parents to petition for their children to attend another school. In most areas the impact is minimal and the school data remains valid.



## **Area Eligibility Based on Census Data**

Census data eligibility is established when census data indicate that at least 50 percent of the children residing in the area are members of households that meet the income standards for free or reduced price meals.

CACFP providers may be determined area eligible using either Census Block Groups (CBGs) or Census Tracts. Census Tracts are geographical units that consist of one or more CBGs. Occasionally, a potential provider is determined not to be area eligible, but is located immediately adjacent to an eligible area. This proximity suggests that the children residing in the area from which the homes or site would most likely draw participants would have a likelihood of similar census demographics. In recognizing that likelihood and allowing additional flexibility in the use of census data to establish area eligibility, sponsors can ensure area eligibility determinations accurately identify areas in which poor economic conditions exist.

With ODE CNP and Regional Office approval, up to three adjacent CBGs may be averaged, using a weighted average, to determine area eligibility based on census data. In all CBGs being averaged, at least 40 percent of children must be eligible for free or reduced price meals. Census Tracts may not be combined.

Census data may be used to determine area eligibility by CBG or Census Tracts as follows:

- 50 percent or more of the children in a CBG are eligible for free or reduced price school meals;
- 50 percent or more of the children in a Census Tract are eligible for free or reduced price school meals; or
- The percentage of children eligible for free or reduced price meals in up to three adjacent CBGs when averaged is 50 percent or more, provided that at least 40 percent of children in each of the combined CBGs are eligible for free or reduced price meals, as described above.

Sponsors may use the following sites to determine census area:

- [FNS Area Eligibility Map](#)
- [FRAC CACFP Mapper](#)

The below resources are available to assist Sponsors to determine area eligibility by census:

- *Using Census Data to Determine Area Eligibility* training
- Area Eligibility spreadsheet

## **Income Eligibility**

Providers can be eligible for Tier 1 rates based on a provider's verified household income if the provider does not reside in a Tier I school area, or is not eligible for Tier 1 by census data.

Providers who wish to demonstrate income or categorical eligibility for Tier 1 reimbursement must complete a *CIS* (see Chapter 5 Eligibility Determination—Confidential Income Statements). Income information reported by the provider on the *CIS* must be compared to the current income eligibility guidelines to determine if the Provider is income-eligible.

Sponsors must also verify the income information or categorical eligibility information reported on the *C/S* prior to determining a Provider is eligible for Tier 1 reimbursement (see Chapter 5 Eligibility Determination—Confidential Income Statements).

Sponsors must keep a copy of the written documentation that is used to verify a provider's income/categorical eligibility in the provider's file.

A Tier 1 determination based on the provider's household income or categorical eligibility is valid for one year from the date of the determination.

## **Tier 2 Option Notification**

Sponsors are required to inform a Tier 2 provider of the option to receive Tier 2 reimbursement rates for all enrolled children or distribute *Confidential Income Statements* to households of all enrolled children, and to receive Tier 1 reimbursement rates for income-eligible children and Tier 2 reimbursement rates for all other enrolled children. Sponsors must have a Tier 2 option notification policy and procedure.

The provider may change their choice for distributing income applications at any time during the Program year.

If a Tier 2 provider chooses to have Confidential Income Statements distributed to the households of enrolled children, the households must be given:

- *Confidential Income Statement* - Family Day Care/Family Income (for parents of children in Tier 2 homes)
- Letter To Parent or Guardian
- Income Eligibility Guidelines

The sponsor or the provider may distribute the *C/S*. Households have the option of returning the *C/S* directly to the provider or to the sponsor. If the household chooses to provide the form directly to the provider, they will need to initial the box in section 7 of the *C/S* and give the *C/S* to the provider. The provider must then forward the *C/S* to the sponsor. The sponsor must make the determination of whether or not the child is income eligible (see [Chapter 5 Tier I By Income](#)).

The eligibility date on which a child becomes income eligible is retroactive to the first day that the child participates in the month in which the sponsor makes the eligibility determination. An enrolled child's eligibility must be updated annually.

## **Notification to Provider of Tier 1/Tier 2 Determinations**

Sponsors are required to provide notice to providers of tier determination. The provider is not permitted to see the individual income eligibility determinations based on *C/S* submitted by households. Nor may the provider be informed as to the eligibility status by name of the children in care. However, sponsors are permitted to inform providers in Tier II homes of the number of children in each eligibility category. This will assist providers in more accurately tracking their reimbursement, while protecting the confidentiality of the households of enrolled children, as the law intended.

## Section C - Reevaluating Tier Determinations

When a sponsor determines that a provider is Tier 1 eligible by school/census data, that determination is valid for **five** years (as previously stated in Section B) unless the provider moves or the socio-economic status of the area appreciably changes.

Sponsors must re-evaluate the tier status of providers each year when the annual Free and Reduced Price School Data memo is issued. Providers who should be considered for re-evaluation would be:

- Tier 2 providers for changes in school/census area data
- Providers who are Tier 1 by income who may now qualify by school/census area data
- Providers who dropped the program due to tiering but are still active day care providers

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# CHAPTER 5 TIER I BY INCOME

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## Section A – Confidential Income Statements

Providers who do not qualify as Tier 1 based on school/census data may qualify as a Tier 1 home based on the provider's household income. Provider Sponsors must inform providers that this option is available and distribute the *Confidential Income Statement* along with the *Letter to Provider*. Providers will be required to submit documentation to the sponsor for verification of the information entered on the *CIS* submitted (see Verification of Provider Income below).

Additionally, providers who do not qualify as Tier 1 based on the provider's household income may choose to distribute *CIS* to the households of enrolled children. The provider will receive the higher Tier 1 reimbursement (Tier 2 High) for children who reside in households determined to be income eligible and receive lower reimbursement (Tier 2 Low) for all other enrolled children.

Enrollment in a provider's day care or participation in CACFP cannot be contingent upon the parent/guardian completing the *CIS*. Sponsors are not required to have a *CIS* for every participant and parents/guardians cannot be required to submit a *CIS*.

### **How long is the *CIS* valid?**

The *CIS* must be updated annually and eligibility is valid for 12 months. The *CIS* is considered current and valid until the last day of the month in which the form was approved. (e.g., a *CIS* approved on January 12, 2012, is considered valid until January 31, 2013).

Sponsors have flexibility concerning the effective date of certification for *CIS*. The eligibility date to be used may be either the date the parent or guardian signed the *CIS* or the date on which the sponsor signs the form to certify eligibility of the participant. However, if the date of provider or parent signature is not within the month of certification or the immediately preceding month, the effective date must be the date of certification. This flexibility applies only to complete *CIS* containing all required information at the time of submission.

Sponsors must decide which date they will rely on as the effective date and apply this date to all income eligibility forms submitted on behalf of all participants in all sponsored homes.

This eligibility duration determination method applies to family day care homes, and should be used to assess the expiration of a *CIS* in all situations, regardless of the reimbursement calculation method used.

### **Confidentiality**

All information on the *CIS* is confidential. Sponsors must have a system to ensure that only authorized sponsor staff, ODE CNP authorized staff or auditors, and USDA staff have access to these documents.

Information contained on the *CIS* may not be disclosed to any person or program that is not a CNP sponsor without signed authorization from the adult household member. Prior to disclosing any information, contact your assigned Child Nutrition Specialist.

## Section B – Distributing and Completing Confidential Income Statements

### **Distributing the CIS and Letter to Provider (Tier 1) and/or Letter to Tier 2 Families**

ODE CNP updates the *CIS* and accompanying *Letters* annually after receiving any new form requirements from USDA. The update occurs every July 1. The updated form and letter are posted on the ODE CNP website and sponsors are notified of the update.

Sponsors must discard all old forms and begin to distribute the current *CIS* forms and *Letters* to providers, as needed, once the sponsor has been notified that the new forms and letters are available on the ODE CNP website.

The current *CIS* forms and *Letters*, both English and Spanish, can be found on the [Child Nutrition web site](#).

### **Completing CIS Forms and Determining Eligibility**

Only completed and sponsor-approved *CIS* forms are valid. Completion of Section 6, Racial or Ethnic Group is optional and households are not required to complete this portion. A complete *CIS* includes all of the following information for each of the three eligibility types:

#### ***Categorical Eligibility***

Providers who qualify for Tier 1 rates are categorically eligible if the approved *CIS* includes a valid case number for SNAP, or TANF, or an indication the household receives Food Distribution Program on Indian Reservations (FDPIR) benefits.

- Examples of a legitimate SNAP case number include: F00-00-0000, 000-00-0000 (Social Security Number), AB000C0D, or 400000000
- Examples of a legitimate TANF case number include: AB1234 or ABC123

Additional categories are extended to Tier 2 providers who elect to distribute *CIS* to parents, including households that qualify for:

- WIC
- Head Start
- Oregon Health Plan, and
- Free/Reduced Price School Meals on National School Lunch Program (NSLP)

#### ***Income Eligibility***

*CIS* are approved based on household income using current [Federal income guidelines](#). When a household submits a *CIS* with “zero” income and does not provide a current Supplemental Nutrition Assistance Program (SNAP) or TANF (Temporary Assistance for Needy Families) case number, or an indication that the household receives FDPIR benefits, sponsors may approve the *CIS* for Tier 1 rates. “Zero” income *CIS* forms are valid for 12 months from the eligibility date used by the sponsor’s Eligibility Official.

Note: Parents/guardians must enter “zero” (0) or mark the box “Check if no income” for all household members with no income. The *CIS* is considered incomplete if the income information in the Household Members & Gross Monthly Income section is left blank and no valid categorical eligibility

information is entered in Section 3 Public Benefits.

### ***Military Exceptions***

Households receiving Family Subsistence Supplemental Allowance (FSSA), combat pay, or Deployment Extension Incentive Pay (DIEP) from the Department of Defense should not include the FSSA, combat pay, or DIEP in household income.

### ***Foster Children***

Foster children are categorically eligible to be claimed at Tier 1 reimbursement rates if the sponsor obtains documentation from an appropriate State or local agency indicating the status of the child as a foster child whose care and placement is the responsibility of the State or that the foster child has been placed with a caretaker household by a court. Monies provided to the household for the care of a foster child are not listed as part of household income.

If a State or local foster agency does not initially provide documentation for a categorically eligible foster child, a CIS identifying the child as a foster child must be completed. If the household chooses to complete a CIS for a foster child, it must include the participant's monthly personal use discretionary income. If a foster child does not receive "personal use" income, the parent/guardian must write "\$ 0." This income would be listed in Section 4, Column 5 on the CIS as Other Monthly Income.

Note: the presence of a foster child in the household does not convey eligibility for free meals to all children in the household

Households with more than one foster child may include all foster children residing in the home on a single CIS. Foster children who are siblings and reside in the same foster home may be included on the same form. Do not include monies given to the household for care of the foster child in the foster child's income.

**Note:** If a household is receiving Employment Related Day Care (ERDC), a CIS form is required because the household does not automatically qualify as Free-eligible.

## **Section C – Approving Confidential Income Statements**

When the sponsor receives a completed CIS from a provider or parent/guardian, an eligibility official of the sponsor must review, approve, sign and date in the "Sponsor Use Only" section.

Only complete CIS forms containing all required information can be approved. Refer to the current fiscal year *Letters* for instructions on information required on the CIS from the household. Incomplete forms must be determined to be ineligible or returned to the household for complete information.

If a provider or parent/guardian chooses not to complete a CIS form or does not include the last four digits of the Social Security Number (SSN), if required; or, check the box indicating the signer has no SSN, the CIS must be approved as Tier II.

Sponsors may not complete any part of the household section of a CIS for a provider or parent/guardian unless the provider or parent/guardian cannot read or write; or, has a disability and requests sponsor assistance to complete the CIS. If assistance is given to complete the CIS, the person providing the assistance must note the assistance provided in the "Sponsor Use Only"

section.

### **Sponsor Approval Section**

Sponsor officials approve the C/S following these steps:

1. Eligibility based on SNAP/TANF or FDPIR
  - a. If the household is eligible based on SNAP/TANF or indicates they receive FDPIR, check either the SNAP/TANF or FDPIR box as the basis of the eligibility.
  - b. Verify SNAP/TANF or FDPIR participation (see Verification of Provider Income or Categorical Eligibility below)
  - c. Check Tier I
  - d. Sign and date the form.
  
2. Eligibility by Income
  - a. If the household is eligible based on income, record the total monthly income. Note: Household members who are not paid monthly should change earnings into monthly income by using the conversion factors on the back of the C/S form.
  - b. Verify the provider income (see Verification of Provider Income or Categorical Eligibility below)
  - c. Record the number of people in the household. Be sure all household members are listed on the form by name.
  - d. Determine the correct eligibility category (Tier 1 or Tier 2) using current household income by month and size of household compared to the [Federal income guidelines](#). Check Household Income as the basis for the eligibility.
  - e. Sign and date the form.
  
3. Qualifying Foster Children
  - a. If the household is qualifying a foster child, record the foster child's personal discretionary income under Other Monthly Income. The personal-use discretionary income is the dollar amount the foster child receives for his/her own use. It is not the dollar amount provided to the foster family for the participant's care.
  - b. If the foster child has no personal-use income, enter 0.
  - c. Qualify the foster child's eligibility as Tier 1 and check the foster child box as the basis for the eligibility.
  - d. Sign and date the form.

The Sponsor Approval Section includes a 2<sup>nd</sup> Check Initial line. Having all CIS forms reviewed by a second person is recommended. The individual completing the second review should initial this section on the line provided "2<sup>nd</sup> Check (initial)".

### **Verification of Provider Income for Determining Tier 1 by Income or Categorical Eligibility**

Verification of income is required for a provider to be determined Tier 1 by income. Verification is the documentation to support the amount of income listed on the C/S or on other documents submitted. A determination cannot be completed until all income information is verified with source documents.

Written documentation must be used as the primary source of verification. All documents submitted by the provider must be kept in the provider's file.



Written documentation includes:

#### Income Eligibility:

- Copy of at least two consecutive pay stubs for each working household member
- Letter from employer(s) for each working household member stating current gross wages paid and how often they are paid, signed and dated by the employer(s)
  - *Acceptable written evidence of pay or wages must contain the name of the household member(s), amount of income received, frequency received, and the date the income was received. A pay stub with no date would be insufficient*
- Most recent IRS 1040 income tax return
  - *May be used as verification for self-employed persons. However, income is defined differently for USDA programs than income is defined by the Internal Revenue Service. Use the IRS 1040 Income Verification Worksheet to determine total income*
- For income such as social security, disability, death benefits, pension, social security, retirement, adoption assistance, or unemployment: request a copy of benefits statement or letter from the pay source that states the amount, frequency and duration of the benefit.
- For welfare payments require a benefit letter from the welfare agency
- For child support and alimony require a court decree, agreement, or copies of the most current checks received
- All other income must be verified. Provide the information or papers that show the amount of income received, how often it is received, and the date received.

#### Categorical Eligibility:

- SNAP, TANF and FDPIR requires proof that the household is currently participating in the program:
  - a. For SNAP/TANF a copy of their award letter with the case number
  - b. For FDPIR a letter from the tribal council stating the provider currently receives food distribution

## Section D - Common Errors That Can Be Costly

During announced or unannounced administrative reviews, ODE CNP staff will review *C/S* forms used to determine tiering status for completion and accuracy. If errors are found resulting in over-claims, the sponsor may be required to return funds to ODE CNP.

ODE CNP will revise the tiering status of a provider when the following information is missing from the approved *C/S* on file:

- Income information for households *not* receiving SNAP, TANF, or FDPIR
- Last four digits of the Social Security Number of the person signing the *C/S* (or a checkmark that the signer has no SSN) for income eligibility *C/S* forms
- A valid SNAP, WIC or TANF case number for categorical eligibility *C/S* forms
- All household members not listed by name on income eligibility *C/S* forms. (Households may or may not include foster children when qualifying by income.)
- Signature of adult household member
- Date parent/guardian adult household member signed the form

Other errors that may result in administrative review findings:

- Total income added incorrectly

- Number of household members added incorrectly
- Using an outdated form (from a previous fiscal year)
- Tiering category not checked by sponsor
- Participant or provider placed in the wrong tiering category
- *CIS* not approved, signed, and dated by sponsor eligibility official
- *CIS* signed by the sponsor's eligibility official more than 12 months ago
- Parent/guardian or provider was not given a copy of the *Letter to Tier 2 Families* or *Letter to Provider*, as appropriate
- Lost or otherwise missing *CIS* forms not on file for participant categorized as Tier 1

## Section E – Other Special Circumstances

### **Eligibility for Free Meals in a Disaster**

#### Children Experiencing Homelessness in a Disaster:

Children residing in, or evacuated from, disaster areas may be determined homeless under the McKinney-Vento Homeless Assistance Act. These children are automatically eligible for Tier 1 in the Child Nutrition Programs. A school district's homeless coordinator or other community homeless liaison makes a determination of homelessness and provides a list of all children determined homeless due to a disaster situation. The sponsor must certify these children for Tier 1 meals.

In cases where a household from a designated disaster area moves in with another household, the community homeless liaison may determine the displaced individuals homeless under the McKinney-Vento Homeless Assistance Act. Displaced children and adult participants in CACFP are automatically eligible for Tier 1 even if they are temporarily residing with another family. The host family may include the displaced family members and any income provided to them when completing a *CIS* to apply for Tier 1 eligibility.

Sponsors that require eligibility information can receive certification of the household's homeless status from the agency that assisted with the evacuation or that is providing shelter. If the members of the household are not residing in an emergency shelter, the sponsor should have an adult living with the household unit complete a *CIS* indicating that the household is homeless. No further information is required to certify the household's eligibility for Tier 1.

#### Disaster Benefits from the Supplemental Nutrition Assistance Program:

Children in households receiving Disaster Supplemental Nutrition Assistance Program (D-SNAP) benefits are categorically eligible for Tier 1. Certification of these children may be accomplished through direct contact with the SNAP agency or by a *CIS* submitted by a household with a case number.

#### Duration of Eligibility:

Households certified for Tier 1 eligibility because of a disaster situation remain eligible for Tier 1 benefits for 12 months.

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# CHAPTER 6 - PROGRAM OPERATIONS

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# Sponsor Responsibilities for Program Administration

Sponsors of Family Day Care Homes administer the CACFP for the providers with whom they have agreements. This chapter will cover provider recruitment, recordkeeping and record retention requirements for sponsors.

## **Recruitment of Providers**

Providers who are Office of Child Care (OCC) registered or certified or Department of Health Services (DHS)-listed are eligible to participate in the Program.

Recruitment efforts by sponsors shall be limited to providers who are not currently participating with another approved CACFP sponsor. Sponsors may not recruit a provider that already has an agreement with another sponsor.

The use of any type of incentives to employees or contractors in an attempt to recruit providers is an unallowable use of CACFP funds.

The following are two methods Sponsors may use to conduct provider recruitment:

- OCC Registered or Certified Provider Recruitment
  - Use the Office of Child Care (OCC) Child Care Regulatory Information System (CCRIS) to verify registration or certification
  
- DHS-Listed Provider Recruitment
  - Providers who are aged 18 and over and are Department of Human Services (DHS)-listed are eligible for the Program. DHS will send sponsors the DHS-listed provider report monthly by e-mail. If a provider states they are DHS-listed but their name does not appear on the list, the sponsor may contact DHS to confirm the listing. The sponsor contact with DHS must be documented and placed in the provider file.
  
  - ***Pre-Listed Providers are not eligible to participate in the CACFP. Pre-listed providers are DHS listed but do not yet have Employment Related Day Care (ERDC)-eligible children in care.***

## **Provider Application and Approval Process**

For each claim month, FDCH Sponsors will submit applications for new providers and providers with important informational changes, complete provider terminations, using CNPweb. ODE CNP reviews provider information sheet changes daily. However, it can take up to two business days for review and approval of complete and accurate provider information sheets.

Prior to the FDCH approval process, the addition of new provider applications, changes requiring State Agency approval, and changes affecting claiming must at least be changed in CNPweb according to the timelines described below.

When preparing to submit a claim, by end of day Wednesday, before the submission of the claim, FDCH Sponsors are required complete the steps listed below. The State Agency will process the information Thursday and Friday as a priority item.

1. Make changes in CNPweb that require State Agency approval. These include, but not limited to:

- a. Addition of new providers, those who are reinstated, or those who are transferred
  - b. Legal name changes
  - c. Provider address changes
  - d. Provider license number changes
2. E-mail [ode.communitynutrition@ode.oregon.gov](mailto:ode.communitynutrition@ode.oregon.gov) all required documents for new providers.
    - a. E-mail assigned Child Nutrition Specialist all required documents for transferred providers.
  3. For each new provider, e-mail and attach a scanned copy of the provider agreement and application.
  4. For each provider that has a name, address, or license number change, edit the Provider Information Sheet.
  5. Once the applications are error-free, submit the application packet for approval. If a correction is required, the State Agency will return the provider information sheet. The State Agency follow up via e-mail with the sponsor on corrections that must be made.

### **When a Provider Moves**

The following guidelines are for Providers who are planning to move:

- Providers should call the licensing specialist as far in advance as possible of the actual move to notify the OCC licensing specialist of the move and to schedule a tentative date to inspect the new facility. A licensing agency visit will not be made until an application is received.
- Providers must supply the date of the move, in writing, to the FDCH Sponsor. \

The provider's new license is effective the date the licensing specialist approves the new facility. If the site is approved, the licensing specialist will give the provider a copy of the inspection report with the date of the inspection. Temporary certificates are only valid for 180 days in any 12-month period. The provider's license for his/her current facility is valid until the day of the move.

In addition to ensuring the provider is licensed and able to provide child care at his/her new location, the Sponsor must also ensure that the provider qualifies for Tier I rates prior to reimbursing the provider for Tier I rates. If the provider received Tier I rates based on area eligibility at the previous address, the Sponsor must verify that the provider's new address falls in a Tier I category based on a school attendance area that has 50 percent or greater free and reduced price school meals. The Sponsor can verify the attendance area by using the school or school district maps, or contacting the appropriate school official. See [Chapter 4 Tiering](#) and [Chapter 5 Tier I By Income](#) for details on the documentation required.

Sponsors are responsible to ensure providers are not paid during a lapse in licensing. Sponsors must note in the General Comments section of the Provider Information sheet any time frames the provider may not claim for.

The provider will be reimbursed for meals served at the new address after the provider receives the license for the new address and the provider's application at the new address has been approved by ODE CNP.

### **Provider Transfer Policy**

Sponsors may transfer a maximum of five (5) providers per month. A provider cannot transfer mid-month.

Sponsors must maintain the records of a provider's participation history and follow the transfer procedure as outlined below under *Transfer Procedure*.

Additionally, providers may transfer from one sponsor to another when:

- They move to another part of the state that is not served by their current sponsor
- The sponsor's State Agency–Sponsor Agreement to participate in the CACFP is closed

**Note:** *Providers may only transfer to a new sponsor once in a 12-month period.*

## **Transfer Procedure**

The provider must send their current sponsor a written notification (e.g., letter, email, or fax) on or before the 10<sup>th</sup> day of last participating month indicating plan to terminate and effective date of termination. The provider must notify the sponsor via email, fax or letter. The notification must include the provider name, last date of participation with the current sponsor, the name of the new sponsor, and the start date with the new sponsor.

The "new" sponsor must communicate with the "former" sponsor to verify and coordinate the provider transfer.

The Sponsor receiving the transferred provider must email their assigned ODE CNP Nutrition Specialist confirming the transfer of the provider. The email must include documentation from the "former" sponsor acknowledging the transfer, , provider name, CNPweb Provider number, the transfer date and the signed Family Day Care Home Provider Information and Site Application and signed Agreement with the "new" sponsor.

ODE CNP will notify the "new" sponsor once the provider has been transferred in CNPweb. At that time the sponsor may complete the provider's information sheet in CNPweb. Once the provider information sheet is complete, the sponsor will place the form in *Pending Approval* for ODE CNP's review.

Both "former" and "new" Sponsors must keep all communication with the provider on file. *Note: All records for transferred providers up to the date of transfer must be retained by the transferring sponsor.*

## **Recordkeeping Requirements**

### ***Availability of Records***

Sponsors must allow ODE CNP, USDA, and representatives of other appropriate agencies to inspect facilities and records, and to audit, examine, and copy records during normal working hours.

Sponsors must maintain separate records for each of their providers. CACFP program and financial records must be maintained separately from records of other programs.

If the sponsor's main office is located outside the state of Oregon, copies of all records pertaining to the CACFP in Oregon must be maintained in an office located within the state of Oregon at all times. The location of this office as listed on the application documents will be verified during the application process.

Sponsor records must be maintained for three years following the end of the fiscal year to which they pertain, or if an audit is outstanding, until the audit is closed.

## **Sponsor Required Records**

Sponsors must keep complete and accurate records of the Program including, but not limited to, the following:

- Agreements between each home and the sponsoring organization
- Site application for each Provider
- OCC registration letter or group home license for each Provider
- CACFP Child Enrollment Forms for all children enrolled in the CACFP
- Completed and approved Confidential Income Statement (CIS) forms for all provider's own children who are claimed, and children claimed by Tier 2 providers that qualify for Tier 1 rates
- Tier identification and documentation for each provider
- Copies of program literature available to the public (enrollment materials, public releases, newsletters, participant handbooks, brochures) contains the nondiscrimination statement including complaint procedure
- Monthly provider menu and meal count records, indicating food components and children being claimed (includes separate menus for infants under one year of age)
- Evidence that meals that do not qualify for reimbursement are disallowed
- Documentation of attendance for each child claimed
- Completed Medical Statements for Food Substitutions if claiming meals with food substitutions for required components due to medical reasons
- Documentation of pre-approval visits and initial training
- Documentation of all provider-monitoring visits and reviews, including follow-up
- Documentation of Serious Deficiency and Suspension Provider correspondence, i.e. letters, file notes, corrective actions received, review of corrective actions, and parent surveys (if applicable)
- Documentation of monitoring review tracking system
- Documentation of notification of OCC and DHS when providers do not meet requirements
- Documentation of OCC renewal start date
- Documentation of participation and content for at least one annual training session for each provider
- Documentation of participation and content for all CACFP-related staff training, including new staff training
- Documentation of staff attendance to ODE CNP's mandatory annual CACFP training
- Documentation of provider hearings and outcomes
- Written provider appeal procedures in all languages served
- Financial documentation including but not limited to:
  - Original documentation for claimed administrative costs (including: invoices, receipts, mileage logs, payroll records, etc.)
  - Original documentation for claimed administrative costs for previous FY carryover funds (including: invoices, receipts, mileage logs, payroll records, etc.)
  - Documentation of program income
  - Documentation of other program income
  - Documentation of disbursement of reimbursement payments
  - Copy of ODE Approved Current FY Budget
  - Copy of ODE Approved Indirect Cost Rate (if applicable)
  - Copy of ODE Approved Cost Allocation Plan (if applicable)
  - Bank Account Statements & Reconciliations for each Business Account (including cancelled checks)
  - Chart of Accounts



- YTD Aged Accounts Payable Report
- YTD Aged Accounts Receivable Report
- Fixed Asset Detail: USDA Inventory List (including asset description, acquisition date & cost, disposal date & fair market value/sales price)
- Board of Directors minutes for the three most recent meetings
- Uncashed Provider checks are properly accounted for per ODE CNP procedure
- Expansion Funds documentation (if applicable)
- Copy of the management plan
- Procurement procedure
- Documentation of implementation of the informal and formal procurement process as applicable [documentation of informal process: prices obtained from telephone, verbal or fax; documentation of formal process: Invitation to Bid (IFB) or Request for Proposal (RFP)]
- Audit findings and management letters – evidence that any corrective action plan has been implemented (if applicable)
- State Agency – Sponsor Agreement – current executed copy
- Outside Employment Policy
- Documentation supporting Monthly Reimbursement Claims
- USDA Civil Rights Complaint Procedure
- Annual Racial & Ethnic Data collection for enrolled children at each home
- Household Contact Policy

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# CHAPTER 7 PROVIDER RECORDKEEPING

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# Section A – Provider Responsibilities and Program Requirements

## **Recordkeeping Requirements**

Providers must maintain records that support submitted claims. These records must be kept for three years plus the current fiscal year. Records can be kept in hard copy or electronic format, provided that they are readily available. For example, providers must keep the records for the fiscal year that ended September 30, 2019 until October 2022.

The CACFP regulations require that each day care home provider keep the following records:

- Child Enrollment Forms
- Attendance Records
- Meal count Records
- Menu records

Providers must keep records relating to the last 12 months plus the current month (for a total of 13 months) in their homes for review. Providers may store the second and third past year records off-site, such as in storage, but they must be in the provider's control and the provider has to be able to get to them within a reasonable amount of time.

## **Required Records**

### **CACFP Child Enrollment Forms**

Enrollment forms verify that providers serve meals to children enrolled for care and prevent providers from claiming meals for children who do not exist or are not enrolled in the day care home [7 CFR §226.18(e)].

Note: A CACFP Child Enrollment Form must be on file for each child in care prior to claiming meals for reimbursements. Only the parent/guardian may complete and sign the enrollment form; it may not be signed by the monitor, the sponsor, or the provider. Providers must offer enrollment to all participants in care in the CACFP and cannot choose to not offer enrollment certain children.

Children must be enrolled in the care offered by the Provider and enrolled in the CACFP. The sponsor may provide its own forms. The form must be updated and signed annually by a parent/guardian of the child and must include the following information:

- Child's name and Date of Birth
- The usual hours and days of the week that child care is to be provided
- The usual meals that will be served to the child
- Infant formula preference (if applicable)

When parents/guardians work swing or rotating shifts, they should note on the enrollment forms that they work multiple shifts and that their children will be in care for different hours on different days. Although their schedules may be unpredictable, parents or guardians should estimate the hours and days they expect that their children will most often be in care.

If any of the residential/provider's own (see Provider's Own below) children participate in CACFP, they must be enrolled in care and have a current enrollment form on file.

Enrollment forms are valid for an entire 12-month period. This means that enrollment forms that were filled out in October of the previous year are good through October 31st of the current year.

Family day care home providers must collect the parent or guardian acknowledgment of the offered infant formula on the enrollment form. On the infant formula selection section of the enrollment form the parent or guardian of an infant must designate if the formula is accepted or declined. Enrollment forms distributed to parents or guardians of infants, without a formula name listed, are incomplete forms.

### **Daily Provider Record Keeping Requirements**

Providers are required to maintain the following on a daily basis:

- Attendance records- current at all times
- Meal Count Records- recorded up to the last meal claimed on the previous day. If sponsor uses an electronic meal count system the system must have business rules in place to ensure meals are not submitted after midnight
- Menus - recorded up to the last meal claimed on the previous day.

Providers cannot pre-fill out daily attendance and meal count records with the in/out times or meal counts.

If meal count records have not been completed for any days prior to the day of a Family Day Care Home Review and/or attendance records are not current for the time of review, reimbursement for those meals must be disallowed. If meal count records have been completed in advance, this must be included as a finding (see Chapter 13 Monitoring).

Records are maintained on the forms or by the electronic method supplied by the sponsor. A provider may document meal counts and menus in a different method, such as a calendar or notebook, and transfer the information to the sponsor's forms or electronic database system. The provider must submit claim information monthly to the sponsor on the forms or by electronic method provided by the sponsor and by the agreed upon date each month. The forms must document a single calendar month.

Accurate and dated records are important because they are verification of actual meals that were served in the home. If a provider does not have current and up-to-date records on the day of a Family Day Care Home review, meals must be disallowed (see Chapter 13 Monitoring).

### **Daily Attendance Records**

Providers are required to maintain accurate, daily attendance records for all participants in care. Providers are required to maintain attendance records that are **current at all times**. Children present for care at any time must be signed in on that day.

Daily attendance records must be kept by child, not by family and must document:

- Each participant's first and last name
- Month, day and year
- Actual in and out times

OCC also requires providers to maintain daily attendance records.

## **Arrival/Departure Times and Signatures**

Attendance records must show the actual time children arrive and depart (in/out). These times may be recorded, and signed or initialed by a parent/guardian, or provider. Children who arrive and depart more than once during the day (for example, school age children in care before and after school) must have both arrival times and both departure times recorded. Providers should educate parents on the importance of signing children in and out every day.

Providers must have a system to record accurate attendance times when parents/guardians forget to sign in and out. The in/out times should be recorded as soon as possible after a participant arrives or departs.

## **Daily Meal Count Records**

### ***Determining when meals may be claimed for reimbursement***

Providers may claim reimbursement for meals served to an enrolled child who meets one of the following criteria:

- A child 12 years of age and under
- A child of migrant workers 15 years of age and under
- A child or individual with a disability and medical statement on file, enrolled in a day care home and participates in the day care
- Provider's own when all requirements are met (see Provider's Own below)

Meals cannot be claimed for reimbursement for any of the following situations:

- Meals served to children who do not have a current enrollment form on file
- Meals served to ineligible children
- Meals served outside of established meal times without notification to the sponsor
- Meals not served
- Meals served to children in excess of licensed capacity
- Meals not adequately documented
- Meals do not meet meal pattern
- Meals served to infants who do not have the Infant Benefit section completed on the child's enrollment documentation on file

## **Daily Meal Count Record Requirements**

Daily meal count records must contain the number of meals served to enrolled children at each meal type – breakfast, lunch, supper, or snack [7 CFR §226.16(4)(ii)].

The provider's meal count system must provide accurate counts of reimbursable meals served to eligible children. Providers may claim reimbursement only for the meal types (breakfast, lunch, supper, snack) approved by the sponsor on the Day Care Home Provider Information Sheet in CNPweb.

The provider records a meal count for each eligible child that is served a meal. Only one meal per eligible child may be claimed for reimbursement at each meal service, regardless of the quantity of food consumed or prepared. Reimbursement is limited to no more than two meals and one snack **or** two snacks and one meal per eligible child, per day.

Providers must not fill out meal count records before meals are served but must ensure counts are recorded before the end of the day.

### **Residential Children (Provider's Own)**

Residential child/ren refers to any child/ren who reside in the household, such as provider's own children by birth or adoption, grandchildren or housemates' children, who are part of the economic unit.

Children whose parents or guardians have made a contractual agreement, whether formal or informal, with a provider for residential care, and whose relationship with the provider is defined primarily by the child care situation *are not* considered a residential child.

### **Claiming Residential Children in Tier 1 Provider**

Sponsors must use the CIS to ensure that each area-eligible Tier I provider receives and has an opportunity to submit an application for program benefits for resident children. Sponsors may reimburse Tier 1 providers for meals that they serve to their own children if [7 CFR §226.18(e)]:

- The provider's household meets family size and income guidelines for free or reduced-priced meals as determined by the CIS submitted by the provider (see Chapter 5 Eligibility Determination—Confidential Income Statements)
- The provider's children are enrolled and participating in the child care
- At least one nonresident child is present at the meal service

### **Claiming Residential Children in Tier 2 Provider**

Payment may be made for meals served to the residential children only when:

- Residential children are enrolled and participating in the child care program during the time of the meal service
- Enrolled nonresident children are present and participating in the child care program
- Residential children are eligible to receive free or reduced-price meals (see Chapter 5 Eligibility Determination—Confidential Income Statements, Completing CIS Forms, Other Allowable Eligibility Documentation)

### **Menu Records**

Providers must maintain menu records in the format required by the sponsor. Menu records must show the Provider is meeting program meal requirements (see Chapter 10 Meal Service Requirements). Menu records must be on file with the provider for all meals claimed for reimbursement and must be made available to monitors during Provider Home Reviews. The following menu records are required:

#### **Menus**

Menus must:

- Show the date (month, day, year the meals were served)
- Have the current USDA non-discrimination statement
- List actual food items served for each meal or snack each day for all participants in care
  - For example: "WG Cheerios" or "Greek Strawberry Yogurt"
  - When ready-to-eat breakfast cereal is served, the name must be documented on the menu

- Indicate substitutions made to the menu, including foods items served to participants with disabilities, medical, or other special dietary needs

### ***Additional Required Menu Documentation***

- 1) A recipe for homemade combination foods
- 2) Ingredient label with Manufacturer's name and brand name of whole grain items served
- 3) Nutrition facts label with Manufacturer's name, brand name and flavor of yogurt served
- 4) Nutrition facts label with Manufacturer's name of tofu food items served
- 5) Child Nutrition (CN) labels—original CN labels cut from the original product packaging must be kept on file for all CN-labeled products served as part of a reimbursable meal or snack. See [Chapter 10 Section C – Termination and Disqualification Process](#) for more information.
- 6) Product Formulation Statement (PFS) —commercially prepared food items that do not have a CN Label must have a complete MPFS on file for any food item that is served and counted toward required meal pattern components. See [Chapter 10 Section C – Termination and Disqualification Process](#) for more information.
- 7) Standard of Identity Product labels – Required for all commercial combination food items that have a Standard of Identity and are served and counted toward required meal pattern components. See [Chapter 10 Section C – Termination and Disqualification Process](#) for more information
- 8) Medical statements, as appropriate, for meals served to participants with disabilities or medical or other special dietary needs

### ***Infant Menus***

Separate menu documentation is required for each infant using the menu record format required by the sponsor. Infant menus must document:

- Date (month, day, year the meals were served)
- Infant's name and birth date
- Notation that infant is to be served breast-milk if infant is served expressed breast- milk or breastfed by the mother (including designation if formula, expressed breast milk (EB) or breast-fed (BF) by mom),
- Actual food served for each meal/snack each day such as Infant Oat Cereal instead of Infant Cereal.
- If a parent/ guardian supplied item is served, it is noted by "PS" on the menu

**Note:** See [Chapter 11 Infants](#) for more information on daily infant menu records.



# CHAPTER 8 REIMBURSEMENT CLAIMS

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One of the key responsibilities of a sponsor is to process monthly claims and pay reimbursement to providers. Sponsors must ensure that meals claimed by providers are eligible for reimbursement and are claimed at the correct reimbursement rates. Sponsors must also ensure that payments to homes are appropriately handled and documented.

The CACFP meal reimbursement is intended to be supplemental. It may not reimburse 100% of a provider's costs for a meal.

## Section A – Preparing for the Monthly Reimbursement Claim

Sponsors must ensure that meals claimed by providers are eligible for reimbursement and claimed at the correct reimbursement rates. Sponsors must also ensure payments to homes are appropriately handled and documented.

Sponsors must collect provider meal counts, menus, and attendance records and maintain them by calendar month. Upon receipt of these records, it is the sponsor's responsibility to verify the following items on or relating to the monthly claim for reimbursement:

- Menus are submitted for all days and meal types that meals are claimed.
- Infant menus are submitted for all days that infant meals are claimed.
- Menus meet the CACFP meal pattern, including the infant CACFP meal pattern.
- No more than 2 meals and 1 snack, or 2 snacks and 1 meal are claimed per child per day
- Provider certification or registration with OCC and/or DHS is current
- The number of meals is within the provider's OCC-approved capacity for number of children and infants in care. This includes any exception from OCC or DHS that is on file for the provider.
- Reimbursement is not claimed for meals/snacks served to children in excess of the home's OCC or DHS-approved capacity unless the provider is approved for shifts. The total of each meal type is compared to the participation for the month and meals exceeding the participation total are disallowed. Residential children (Provider's own) who are present are included in the approved capacity.
- Tier I Provider's eligible residential children are claimed only when a current C/S is on file and other enrolled, non-resident children are present and participating in the meal service
- Provider claims only the approved meal types.
- Each child has a current CACFP enrollment form on file with the sponsor (see Chapter 7 Provider Recordkeeping).
- Each day care child is under 13 years old unless otherwise restricted or allowed.
- Provider tier type is current.
- Review all provider home review reports made during the claim month to verify all deductions noted by the monitor have been disallowed on the provider's claim.

## Section B – How to Submit a Claim

ODE CNP has a web-based application and reimbursement system called "[CNPweb](#)". Using it, sponsors submit monthly claims for reimbursement which consist of a single Sponsor Claim and individual Provider Claims for every Provider approved by ODE CNP for that particular claim month.

Each user must have a unique user name and password known and used only by them. ODE CNP does not maintain a list of passwords. Sponsors are encouraged to record their unique user ID and password and keep them in a secure location for reference. The most common user problem with CNPweb is the forgotten password.

To maintain system security ODE CNP recommends limiting the total number of system users to those staff with an official need to work in the system

To submit claims individual users must first have a secure user ID and password to access CNPweb. Current sponsors must use the CNPweb User Authorization & Request form to add new users. To delete users, sponsors must use the User Authorization Termination form.

### **To Complete a Monthly Reimbursement Claim in CNPweb**

Sponsor and Provider Claims can be completed manually or through an electronic upload process. The former is simpler and more user-friendly, but the latter allows for quicker data entry when a large number of Providers are involved. In either case, Sponsor Claims must be certified and submitted manually by the user.

[The CNPweb Quick Reference Guide--CACFP](#) (located on the CNPweb packet page), provides step-by-step instructions for filing a claim in CNPweb manually. The CACFP Provider Claim Upload Instructions and the CACFP Provider Claim File Upload Template will provide guidance for using the electronic upload process.

After the upload process or each time the “Submit” button on a claim is pressed, CNPweb will run a series of checks to ensure that valid data have been entered and that the respective claim is eligible for reimbursement.

If one or more of those checks fail, a “Post Conformation” page will appear stating that the claim is in “Errors” status. You must then reopen the claim and correct all errors before you can officially submit the claim for reimbursement. Each error will be highlighted in red; warning messages will be displayed at the start of the claim and the section in which the error was found to help you understand the nature of the error and how to fix it.

If no checks fail, then the claim is eligible for reimbursement. Provider Claims will be labeled “Complete”, while Sponsor Claims will be marked “Pending Submission”.

### **To Submit a Monthly Reimbursement Claim in CNPweb**

To officially submit a claim for reimbursement, the user must certify and submit the Sponsor Claim. Open the Sponsor Claim for the selected claim month and at the bottom of the form there is a certification statement and checkbox. By marking this checkbox, the user, as an individual, certifies the accuracy of the claim and assumes responsibility for it. The user then clicks the “Submit” button and, if no errors exist, the claim will move to “Pending Approval” or “Approved” status. The sponsor-user will no longer be able to make any changes until (a) the claim is paid or (b) the claim is returned to the sponsor for correction.

Again, marking the certification checkbox and submitting the claim, as a registered user, is legally equivalent to signing a paper document and assumes that the submitter has completed all due diligence and all required documentation to support the claim is on file with the sponsor.

Additional CNPweb guides and resources may be found on the Packet tab of your CNPweb Sponsor Summary page.

### To View Reimbursement Value for Your Monthly Claim in CNPweb

On the **Sponsor Summary-Claims** page, click **View** for the sponsor level monthly claim. Scroll to the bottom of the claim form and click **View Summary**. The CNPweb displays the Sponsor Claim Recap page with the claim payment information. Click the “**here**” link at the bottom of the page to display the Sponsor Summary - Claims page.

**\*\*Note:** If the Sponsor Claim form was in Error status before, this action may remove the Error status, but it does not submit the Claim to ODE CNP for Payment.

In addition, reimbursement amounts can be viewed on the Payments tab. Approved claims to be paid will appear in the Open Balance Transactions section. Previous payments are displayed in the lower section according to Batch Number and Process Date.

## Section C – When to Submit a Reimbursement Claim

Sponsors are responsible for certifying and submitting reimbursement claims before their respective due dates. While the deadline for an original claim is 60 days following the end of the claim month, ODE CNP recommends that sponsors submit original claims by the 10<sup>th</sup> of the month following the claim month. The official submission date of a claim is the date the Sponsor Claim was certified and submitted, without errors, on-line in CNPweb.

CNPweb will not accept entry of claims after the dates shown in the chart below. Refer to Section F for submission of late claims.

## Section D – Due Dates

### **Reimbursement Claim Due Dates**

The Sponsor Claim for a given claim month must be in “Pending Approval” or “Approved” status by the dates shown below. CNPweb will automatically adjust due dates during Leap Years.

In a leap year:

\*60 day deadline = March 31

\*\*60 day deadline = February 29

If the due date falls on a Saturday, Sunday, or Federal Holiday, the claim deadline will be the next business day.

<b>Month</b>	<b>60 Day Deadline</b>
January*	April 1
February	April 29
March	May 30
April	June 29
May	July 30
June	August 29
July	September 29
August	October 30
September	November 29
October	December 30
November	January 29

December**	March 1
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## **ODE CNP Claims Processing for Payment**

Approved claims for reimbursement are processed for payment on Tuesday of each week with the following exceptions:

- When a legal holiday falls on a Monday, claims are processed for payment on the following Wednesday.
- When a legal holiday falls on a Tuesday, claims will be processed for payment on the following Wednesday

## **Section E – Revisions**

When errors have been made on the original claim submitted, Sponsors may submit a revision to that claim. Revised claims for an upward adjustment in reimbursement must be submitted within 60 days after the end of the claiming month (see ***Reimbursement Claim Due Dates*** chart above).

Revised claims for a downward adjustment may be submitted at any time. The revision needs to be submitted with the next original claim. Example: If a downward revision to the September claim is discovered in May, the September claim would need to be revised when the May original is submitted.

If a Sponsor repeatedly adjusts its claims downward after the 60-day submission deadline, a corrective action plan may be required. If required, a corrective action plan must be submitted in sufficient detail to demonstrate that completion of the actions to be taken by the Sponsor will ensure its future compliance with the requirements. Regulations allow ODE CNP to withhold payments to the Sponsor for all Child Nutrition Programs until procedures have been implemented for the Sponsor to produce an actual final claim each month ([7 CFR 210.24](#), [7 CFR 220.18](#), and [7 CFR 215.15](#); [2 CFR 200.338](#)).

To revise monthly claims in CNPweb please see the [CNPweb Quick Reference Guide--CACFP](#) (Located on the CNPweb packet page). Revisions cannot be created through the claim upload process.

## **Section F – Late Claims**

Original claims may not be entered into CNPweb by the Sponsor after the 60-day claim period. Revised claims for upward revisions may not be entered after the 60-day period has expired.

Program Regulations state that "... a final claim for reimbursement shall be postmarked and/or submitted to the state agency no later than 60 days following the last day of the full month covered by the claim. Claims not postmarked and/or submitted within 60 days shall not be paid with program funds unless the Oregon Department of Education (ODE) determines that an exception should be granted..."

### **You may make an exception request for:**

- **Circumstances beyond your control** - At any time, if your claim was late due to circumstances genuinely beyond your control, you may submit the claim with documented written evidence. We will analyze the evidence and make our determination as to whether the circumstances warrant payment. If we determine they do not, you may still request a one-time exception for circumstances within your control.

Examples of such circumstances include natural disasters, the CNPweb system failing, etc.

- **Circumstances within your control** (One-Time Exception) - A sponsor may request a one-time exception for the submission of a late claim that was within their control. Such an exception will be granted for only **one late monthly claim within a 36-month period** per program (NSLP, SBP, SFSP, CACFP). If you submit more than one late claim, the month with the greatest value will be considered. Once this exception is granted, no future payment under this provision will be made within the subsequent 36-month period.

*An exception request for a late claim submission by the Sponsor for either circumstance must include:*

- Original claim for reimbursement
- Written description of events and circumstances that prevented claiming compliance, in sufficient detail to enable a fair decision
- Acceptable corrective action plan (CAP):
  1. Actions to be taken to avoid any future late claim submissions for the same or other causes;
  2. A statement that says, “I understand that if this exception request is granted, the exception has been used for a three-year period and that no future payment of late claims, originals or upward revisions can be made to our program during this period”; and,
  3. The signature of the person who signed the agreement with ODE CNP to operate your program or the signature of the person currently occupying that position.
- Approval in writing of the request submission by the Board Chair or CEO/ COO/ Director of the Sponsoring agency

Upon receipt of your exception request, ODE CNP will review it to determine whether it sufficiently addresses the reason for lateness and the actions necessary to remedy the late submission. If your CAP is approved, your late claim will be processed for payment. If it is not approved, ODE CNP will advise you as to which deficiencies need to be addressed.

## Section G – Program Review and Audit Findings

Reimbursement may be adjusted as a result of program review or audit findings. If revisions are necessary as a result of a program review, the sponsor will be instructed as to who is responsible for revising claim(s). Some revisions may be submitted by the sponsor for applicable months. Other revisions will be completed by ODE CNP when the review or audit is determined to be closed. Revisions due to review or audit are not subject to the 90-day submission deadline.

## Section H – Reimbursement Payments to Providers

The sponsor is required to distribute reimbursement payments to all providers within five business days of receiving payment from ODE CNP. The **full amount** of reimbursement, based on the number of meals, by type, served to children, must be disbursed to each provider. Sponsors are **prohibited** from withholding a provider’s reimbursement.

The sponsor must issue a monthly earnings statement to providers. The monthly earnings statement must include at least the following:

1. Amount reimbursed by meal types
2. Number of meals disallowed by meal type and reason(s) for meal disallowance(s). See **Deductions to the Provider Reimbursement** below.

Sponsors are encouraged to annually issue each provider a yearly statement of earnings form (i.e., IRS Form 1099).

### **Deductions to the Provider Reimbursement**

Deductions to a provider's reimbursement payment are allowable if the sponsor determines any or all meals claimed by the provider were not served in compliance with Program regulations. The meals deducted must be documented and the sponsor must notify the provider in writing. If deductions occur after the sponsor has received reimbursement payments, the deducted amount must then be returned to ODE CNP with a written explanation.

Evidence of noncompliance with CACFP regulations includes but is not limited to:

- Lack of records completed by the provider each day, including but not limited to:
  - a. Missing menus or missing menu items on menu.
  - b. Missing Infant Menu Records for infants, if approved to care for infants.
  - c. Incomplete or missing meal count records.
- Lack of income eligibility information.
- The day care home's license has been revoked or has expired.
- The day care home is no longer on the DHS list.
- More than one meal and two snacks or two meals and one snack are claimed for the same child in one day.
- Serving meals outside of meal times approved in CNPweb.
- Claiming more children per age group than the day care home is OCC or DHS-approved to have, unless the day care home's Provider Information Sheet indicates the home offers scheduled childcare and meal shifts.
- Meals do not meet the CACFP meal pattern requirements for the ages being served.
- Claiming a meal type that has not been approved by the sponsor.
- Meals claimed were provided by someone other than the provider.
- The provider has charged the child for the meal.



- The provider has neglected to send the sponsor a completed Enrollment Form for a child prior to claiming the child for reimbursement.
- The provider did not notify the sponsor that no one would be home or did not allow the sponsor, ODE-CNP or the USDA to enter the day care home to review CACFP program operations during the provider's approved meal times.
- The provider claimed meals for reimbursement under two different sponsors.
- The provider claimed meals for children who were not there.
- Payments are suspended when the provider is suspended for health and safety

### **Recovering Funds from Providers**

Funds must be recovered from the provider when the provider is reimbursed for CACFP meals but the CACFP requirements have not been met due to provider error or inaction.

If the sponsor had ample opportunity to restrict CACFP funds before payment was made to the provider, then the sponsor is responsible for repayment of funds to ODE CNP.

In certain circumstances, the provider may have neglected to maintain or provide the sponsor with required information thus resulting in an overpayment. In this case the sponsor will use the following method to recover funds paid to providers:

- Send the provider a certified letter; return receipt requested, stating the reason and the amount owed to the sponsor along with any supporting documentation. The letter shall state that within two weeks of letter receipt, the provider may:
  - a. Send the sponsor the specified amount of funds to be returned, certified mail, return receipt requested; or
  - b. Send the sponsor a certified letter, return receipt requested, stating that she/he intends to remain in the CACFP and that she/he would like to have the amount owed deducted from future month's reimbursements.
  - c. Request a payment plan to be approved by the sponsor and ODE CNP.
- If the provider requests that the overpayment be deducted from future earnings the sponsor will deduct the full amount of each succeeding month's reimbursement until the amount owed is paid back.
- If the provider does not respond within two weeks to the sponsor's letter, the sponsor may deduct the money owed from future month's payment.

### **Exceptions**

An exception to the provider payment policy occurs when a sponsor has reason to suspect provider fraud. The sponsor must contact ODE CNP to determine the action to be taken.

## Section I – Funds due to ODE CNP

If any moneys are due from the sponsor to ODE CNP as a result of an overpayment during the current program year, the amount due will be withheld from the next payment. If the amount due to ODE CNP is for a closed program year, a check for the full amount from the sponsor is required. If the full amount cannot be paid in one payment, contact ODE CNP to arrange a payment schedule. All amounts due to ODE CNP as the result of an audit or program review must be paid to ODE CNP. Amounts not paid per an arranged payment schedule may be subject to interest accrual. Interest charges, if applicable, will be set at the time the payment schedule is established.

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# CHAPTER 9 PROCUREMENT

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## Section A – General Information

Procurement is the process of acquiring, by lease or purchase, products, goods, and/or services such as food, supplies, equipment, bookkeeping, and auditing. The purpose of an effective procurement procedure is to ensure that such products, goods, and/or services are obtained efficiently, economically and in compliance with state and Federal law.

All procurement transactions will be conducted in a manner providing full and open competition consistent with the standards of [2 CFR Part 200 subpart D](#) and [7 CFR 226.22](#). Transactions must also follow state and local rules if more restrictive. All CACFP Sponsors are required to follow the procurement regulations as outlined in USDA FNS instruction 796-2, Rev. 4, *Financial Management—Child and Adult Care Food Program*. Please visit ODE CNP's [Nutrition Procurement Resources public website](#) for more information.

## Section B – How to Procure

### **Determining an Acquisition Threshold**

When obtaining goods and services with Federal funds Sponsors must ensure that procurement procedures are exercised in an effective manner and in compliance with Federal Regulations, State General Statutes, and the sponsor's documented procurement procedures.

The simplified acquisition threshold set by Federal procurement law determines whether Sponsors can use an informal procurement method or if they must use one of the formal procurement method (see below-Section C Procurement Methods).

The State or Sponsor may have more restrictive acquisition thresholds than those set by Federal procurement law. Sponsors must determine the appropriate procurement procedure for their organization. The State of Oregon simplified acquisition threshold is currently \$150,000.

Reference: [ORS 279B.070](#)

## Section C – Procurement Method

The procurement method to be used for a given purchase is determined by examining the manner in which products, goods and/or services have been purchased in the past. Sponsors will examine past procurement patterns, vendors/contractors used and total dollar amounts spent for each type of good and service in addition to the total dollar amount paid to an individual vendor/contractor during a single fiscal year.

Depending on the program type and the type of purchase, Sponsors must use one of the procurement methods outlined in [2 CFR 200.320](#). They are divided into informal and formal procurement procedures as follows:

### **Informal Procurement Procedures: 2 CFR 200.320(a)**

#### 1. Procurement by Micro-Purchases ([less than \\$10,000](#))

If a Sponsor is making a purchase with the aggregate dollar amount under \$10,000, the Sponsor may do so without obtaining price quotes provided the price is reasonable and purchases are distributed

equitably among qualified vendors/contractors. A Sponsor must not make all purchases from one source rather the Sponsor must make purchases from all qualified sources equally.

The Sponsor must keep all documentation for micro-purchases on file.

Reference: [2 CFR 200.320\(a\)\(1\)](#)

## 2. Procurement by Small Purchase Procedures (less than \$250,000)

When the total cost of a good or service, or a group of similar items is less than \$250,000, or under the State ([State of Oregon is currently set at less than \\$150,000](#)), or Sponsor's simplified acquisition threshold, whichever is lower, the small purchase procedure may be used. This procedure is sometimes known as a price quote or a Request for Quote (RFQ) or comparison shopping.

The small purchase procedure requires the Sponsor to obtain and document price quotations from an adequate number of qualified sources (for example, three vendors/contractors).

The sponsor must keep all documentation on file.

Reference: [2 CFR 200.320\(b\)](#) and [ORS 279B.070](#)

## **Formal Procurement Procedures: 2 CFR 200.320(b)**

If the cost of a single good or service, or group of similar products, goods, and/ or services, is at or above [\\$250,000](#) or over the State ([State of Oregon is currently set at or above \\$150,000](#)), or Sponsor's simplified acquisition threshold, whichever is lower, one of the formal procurement procedures must be used:

3. Procurement by Competitive Sealed Bids also known as Invitation for Bid (IFB): This method is used when the only variable is the price of a product being purchased because the award must go to the lowest qualified bidder who meets the terms and conditions. The IFB requires clear, concise specifications. Sealed bids are accepted or rejected with no negotiation.

Reference: [2 CFR 200.320\(c\)\(1\)](#), [7 CFR 226\(i\)\(2\)](#), and [ORS 279B.055](#)

4. Procurement by Competitive Negotiations also known as Request for Proposal (RFP): This method is used when price is not the only consideration. When the goal or objective is clear, but the good or service could be provided in a variety of ways and the purchaser is willing to evaluate multiple criteria, the RFP is appropriate. The RFP method requires more time for development, evaluation, and selection than the IFB.

Reference: [2 CFR 200.320\(b\)\(2\)](#), [7 CFR 226.22\(i\)\(3\)](#), and [ORS 279B.060](#)

5. Procurement by Noncompetitive Negotiation/Proposal: This procurement method can only be used under the following circumstances:

- The item is available only from a single source.
- After solicitation of a number of sources, competition is determined inadequate (Example, if only one bidder responds to the IFB).

- An emergency exists where competitive procurement (IFB or RFP) would take too long.
- With prior authorization from ODE CNP the Sponsor can use noncompetitive negotiation.

Reference: [2 CFR 200.320\(c\)](#) and [7 CFR 226.22\(4\)](#)

### **Procurement Documentation**

A Sponsor must develop and have on file written procurement procedures in accordance with [2 CFR 200.318 through 200.327](#) and [7 CFR 226.22\(c\)](#) for how the organization will:

- Purchase products, goods, and/or services
- Advertise (if needed) the products, goods and/or services it plans to purchase
- Select and evaluate various bids or proposals submitted by potential vendors/contractors.
- Evaluate potential vendors/contractors (e.g., the criteria that will be used for evaluation, such as integrity, compliance with public policy, past performance, and financial and technical resources)

Sponsors must maintain documentation on file for every procurement transaction made with CACFP funds. This documentation would include, but is not limited to:

- Copies of the documentation of the prices submitted by potential vendors/contractors
- Names of the vendors/contractors who submitted price quotations that were compared
- Identifying which vendor/contractor was chosen
- Stating why that vendor contractor was chosen

Request for quote (RFQ) documents need not be complex but must provide sufficient information to permit an eligible vendor to respond. At a minimum, include:

- A description of the products, goods, and/or services needed, including quantity
- The date by which the products, goods and/or services must be provided
- Request for written price(s) or quote(s) including the time period during which the price(s) or quote(s) valid
- If Sponsors obtain prices and quotes orally, by phone or in person, they must maintain written documentation identifying the pertinent details of the transaction including:
- The name of the Sponsor representative soliciting the information
- The names of the vendor/contractor solicited and the vendor/contractor representative providing the price or quote
- The date the information was provided
- The products, goods, and/or services to be purchased, including quantities upon which the price or the quote was provided
- All terms or conditions imposed by either party
- The time period during which the price or quote will be honored by the vendor/contractor

Sponsors must maintain documentation of the entire procurement process on file for three years plus the current fiscal year. During administrative reviews or audits, ODE CNP will review procurement documentation for purchases made with program funds.

### **Combination Funding**

A program receiving a combination of funding from different sources with different cost threshold requirements must adhere to the lowest cost threshold.

## **Noncompetitive proposals**

Procurement by noncompetitive proposals is:

- Solicitation of a proposal from only one source, or
- When no responses received after solicitation of a number of sources

Procurement by noncompetitive proposals may be used only when the award of a contract is infeasible under small purchase procedures, sealed bids, or competitive proposals, and one of the following circumstances applies:

- The item is available only from a single source
- The public emergency for the requirement will not permit a delay resulting from competitive solicitation
- The awarding agency (ODE CNP) authorized noncompetitive proposals
- After solicitation of a number of sources, competition is determined inadequate

## **Open and Free Competition**

Regardless of the method used, purchasing transactions must be conducted in a manner that provides maximum open and free competition. Procurement procedures may not restrict or eliminate competition. Examples of restrictive competition include:

- Placing unreasonable requirements on potential vendors in order to disqualify them
- Organizational conflicts of interest between the Sponsor and vendors/contractors
- Unnecessary experience and bonding requirements

## **Use of Small and Minority Firms**

Small and minority firms, women's business enterprise and labor surplus areas firms are to be used when possible. Affirmative steps must include;

- Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
- Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
- Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;
- Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;
- Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
- Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed above.

Reference: [2 CFR 200.321](#) and [7 CFR 226.22\(f\)](#)



### **Geographic Preference**

Defining the geographic area that is considered to be local is up to the purchasing institution. The purchasing institution may specifically identify the geographic area within which unprocessed, locally raised and locally grown agricultural products will originate. The purchasing institution must not define local in a manner that unnecessarily restricts free and open competition. Purchasing institutions are encouraged to purchase unprocessed locally grown and locally raised agricultural products so procurement may give preference to agricultural products that are grown or raised in the local area. Bids/quotes still must be obtained from several sources to ensure free and open competition.

Reference: [7 CFR 226.22\(n\)](#)

### **Written Standards of Conduct and Performance of Employees Engaged in Award and Administration of Contracts**

Sponsors are required to develop and implement written standards of conduct designed to govern the performance of employees engaged in procurement.

This standards of conduct must prohibit employees from soliciting gifts, travel packages, and other incentives from prospective contractors. In addition, the standards of conduct must prohibit an employee from participating in the selection, award, and administration of any contract to which an entity or certain persons connected to them, have financial interest. The standards of conduct must also provide for Sponsors to set standards when financial interest is not substantial or the gift is an unsolicited item of nominal value and may be acceptable. Finally, the standards of conduct must provide for disciplinary actions to be applied in the event the standards are violated.

Reference: [2 CFR 200.318\(c\)](#), and [7 CFR 226.22\(d\)](#)

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# CHAPTER 10 MEAL SERVICE

## REQUIREMENTS

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Sponsors and providers must ensure quality meals are served to all children in care and that nutrition education is encouraged. Quality meals that provide the nutrients children need each day include a good balance of color, texture, shape, flavor, and temperature. This is done by including a variety of foods that are appetizing to children's taste, smell and sight. Providers are encouraged to include on their menu fresh and seasonably available fruits and vegetables and to purchase the best quality foods possible.

## Section A – General Requirements for Reimbursable Meals

Providers may claim reimbursement for a maximum of either two meals and one snack or two snacks and one meal per participant per day. Meals claimed for reimbursement must meet CACFP meal pattern requirements and must be served to enrolled participants in an approved day care setting. Meals and snacks served in restaurants are not reimbursable.

Providers can claim reimbursement only for the meal types specified in the Provider's approved Provider Information Sheet in CNPweb. The following meal types are eligible for reimbursement through the CACFP:

- Breakfast
- AM snack
- Lunch
- PM snack
- Supper
- Evening snack

### **Meal Times**

Meals that are claimed for reimbursement must be served at traditional meal times. If infants are also in care, traditional meal times do not apply to infant meals as they are fed "on demand." ODE CNP defines traditional meal times within the ranges indicated below:

- Breakfast shall not begin after 9:00 a.m.
- Lunch: 11:00 a.m. - 1:30 p.m.
- Supper: 5:00 p.m. - 7:00 p.m.
- Snacks: Snacks should be timed between regularly scheduled meals to allow hunger to develop before the snack and again before the next scheduled meal service.

The meal times listed in CNPweb is the timeframe that the provider is approved to be reimbursed for serving meals in. Meals served outside of the mealtime in CNPweb are subject to being disallowed due to serving outside of approved meal times. The ODE CNP defined traditional meal times does not translate to meals being eligible for reimbursement if they served within ODE CNP's allowable timeframes for meals, but outside of the timeframe approved in CNPweb. The approved meal times in CNPweb are the only timeframes that meals are eligible for reimbursement within. The exception to this are infant meals, which are permitted to be claimed for reimbursement as infants are fed "on-demand." Sponsors may choose to develop a policy and train staff to allow for reasonable flexibility in approved meal service times.

Additionally, providers may request non-traditional meal times. Sponsors must contact their assigned Child Nutrition Specialist for further information and to approve the mealtime, if approvable.

## **Water Availability**

Throughout the day water must be offered to children to drink. . Offering water means asking the children whether they would like water at different times throughout the day. For very young children, this may require visual cues such as showing the cup or pitcher while verbally offering the water. It is important to have water available, since drinking water can:

- Keep children hydrated and healthy
- Help build and maintain strong teeth if water includes fluoride (included in most tap water, but not most bottled water)
- Help rinse food from their teeth, and reduce acid in the mouth that contributes to dental cavities
- Teach healthy eating habits they will use for life

While drinking water must be made available for children during meal times, it is not part of the reimbursable meal and may not be served instead of fluid milk. Water is not required to be offered alongside milk at meals or snacks, however, it may be. If water is offered during a meal, providers should consider offering smaller amounts of water and keep in mind that children who drink too much liquid may feel too full to eat. A good time to offer water more frequently might be during or after physical activity, on hot summer days, or cold winter months when the air is drier because of indoor heating.

Water can be made available to children in a variety of ways, which include but are not limited to, having cups available next to the kitchen sink faucet, having water pitchers and cups set out, or simply providing water to a child when it is requested. Providers should not serve young children too much water immediately before and during meal times; excess water may lead to reducing the amount of food and milk consumed by the children. Providers should be encouraged to serve water with snacks when no other beverage is being served, and in lieu of other high calorie, sweetened beverages (juice drinks, soda, sports drinks, etc.) that are served outside of meal times.

Providers are not required to make water available for children to serve to themselves.

## **Section B – Meal Patterns**

For infant meal pattern information, see [Chapter 11 Infants](#).

### **General Information**

The CACFP has federally mandated meal patterns to meet the nutritional requirements of children based on age. The meal pattern is made up of five food components with minimum portion sizes required for a reimbursable breakfast, lunch, supper and snack for specific age groups of participants (See the [CACFP Meal Pattern Chart on the CACFP Meal Pattern and Menu Planning page](#) for more information).

Meals and snacks planned meeting CACFP meal patterns supply the types and amounts of foods that help meet children’s nutrient and energy needs. The meal patterns reflect the amount of food required for normal growth and development of children. Children should be encouraged, but never forced, to eat all foods offered.

Serve at least the minimum required portion sizes of all meal pattern food components to each age group of children served. Consideration should be given to preparing enough food to accommodate

participants who require larger portions and additional servings.

The child meal pattern divides participants' ages 1 through 18 years into 4 age groups:

- 1 through 2 years
- 3 through 5 years
- 6 through 12 years
- 13 through 18 years

### **Meal Components**

The [CACFP meal pattern requirements](#) includes five components, or food groups:

- Grains
- Meat/Meat Alternate
- Vegetable
- Fruit
- Milk

**Meals must contain the following food components and food items:**

Breakfast—three meal pattern components are required:

- Fluid Milk – one serving
- Grains – one serving
- Vegetable, Fruit or both– one serving

A meat/meat alternate may be substituted for the entire grain component up to three (3) times per week. One (1) - ounce M/MA equals one (1) – ounce grains.

Lunch or Supper—five meal pattern components are required:

- Fluid Milk – one serving
- Grains – one serving
- Meat/Meat Alternate – one serving
- Vegetables - one serving
- Fruits – one serving

Lunch and supper must include one (1) fruit and one (1) vegetable **OR** two (2) vegetables. However, when two vegetables are served two different kinds of vegetables (e.g. carrots and cauliflower) must be served. Serving the same vegetable prepared two different ways is not creditable.

Snack—two of the five meal pattern components are required:

Snacks must contain at least two of the five meal components. Snacks with only two food items from the same component group are not reimbursable. For example, a snack made up of only meat and

cheese is not reimbursable. A snack made up of only a banana and apple is not reimbursable.

Only one of the two required components for snack may be a beverage.

## Section C – Crediting Foods

Creditable foods are foods that may be counted toward meeting the meal pattern requirements for a reimbursable meal. The [Crediting Handbook for the Child and Adult Care Food Program](#) provides information on a wide variety of foods, but does not include all foods that can be served in the CACFP. The Crediting Handbook is a companion to the Food Buying Guide but does not replace it.

The [USDA electronic Food Buying Guide \(FBG\)](#) is the ultimate reference for crediting meal components in CACFP meals and is the primary resource to determine if a food is creditable. The on-line guide is updated frequently and Sponsors should use the online guide as a reference when determining if foods served by a provider are creditable and how they are to be credited towards required meal pattern components.

Use the *FBG* to determine how much food to purchase or prepare for the number of portions planned. The electronic *FBG* allows searching by meal pattern components: Meat/Meat Alternate, Vegetables, Fruits, Grains, Milk, and Other Foods. The database provides information on how to determine the creditable amount or the number of servings of a given size from each purchase unit of the food. For example, the *FBG* specifies that one-pound (16 ounces) of raw ground beef with no more than 20% fat will provide 11.8 one-ounce portions of cooked, drained lean meat.

Non-creditable foods (sometimes called “other foods”) are foods that do not meet any meal pattern component requirement. Non-creditable foods may be served in addition to required meal pattern components in reimbursable meals, unless the food is specifically prohibited in the CACFP. The ODE CNP [Non-Creditable Food List](#) for the CACFP is found on the [CACFP Meal Pattern and Menu Planning webpage](#).

### **Crediting Grains**

A creditable grain must be enriched grain, whole grain meal or flour, or bran, or germ. At least one serving of grains per day must be whole-grain rich (WGR). One-quarter (1/4 or .25) of a serving of a Grain food item is the minimum amount allowable to be credited toward the meal pattern component requirement.

The [Flowchart for Creditable and WGR Grains](#) can be used help Sponsors and Providers determine if a product is creditable and (if it creditable) if it is WGR.

### **Enriched Grains**

Enriched grains are grains that have certain B vitamins and iron added back to them after processing. There are two ways to determine if a grain is enriched. The food must meet at least one of the following in order to be creditable as enriched:

1. The food package is labeled as enriched.
2. An enriched grain is listed as the first ingredient on the food’s ingredient list, or second after water. The label will usually say “enriched flour” or “enriched wheat flour,” or there is a sub-listing of nutrients used to enrich the ingredient. For example, in this ingredient list, the yellow corn flour has a sub-list of nutrients used to enrich it: “whole wheat flour, yellow corn flour (folic acid, riboflavin, niacin, and thiamine)”.



Ready-to-eat breakfast cereals that meet the sugar requirements and are fortified are also creditable.

Cereal products that have been fortified are labeled as such and have an ingredient statement similar to the following (for EXAMPLE purposes only): “Ingredients: Whole wheat, sugar, oats, contains 2% or less of salt, baking soda, caramel color, annatto color, BHT for freshness. Vitamins and Minerals: Vitamin C (sodium ascorbate, ascorbic acid), niacinamide, vitamin B6 (pyridoxine hydrochloride), reduced iron, zinc oxide, folic acid, vitamin B2 (riboflavin), vitamin B1 (thiamin hydrochloride), vitamin A palmitate, vitamin D, vitamin B12.”

### **Whole Grain Meals or Flours**

Whole grain meals or flours are made of the entire cereal grain seed or kernel. The kernel has three parts - the bran, the germ, and the endosperm. In refined grains, the bran and the germ are removed, leaving only the starchy endosperm. With whole grains, the bran and germ are left intact to provide fiber, B vitamins, and healthy fats. Some examples of whole grains include products with the word “whole” listed before a grain such as whole wheat or whole corn flour, corn masa, cracked wheat, brown rice, oatmeal, wild rice, quinoa, and millet. Bran and germ are credited the same as enriched or whole-grain meal or flour.

**Note:** Whole grains are not the same as multi-grains.

### **Corn Masa, Corn Flour, and Cornmeal**

Corn masa, corn flour, and cornmeal are creditable as whole grain rich ingredients. These items may be credited in the same manner as all other creditable grain ingredients and foods.

### **Popcorn**

Popcorn is a whole grain food and a good source of fiber. Due to the low weight and expansive properties of popcorn, a higher volume of popcorn is needed to meet minimum portion size. Below is the portion size needed for popcorn to credit as a serving of grain in the CACFP.

- ¾ cup (or .25 ounces (7 grams) popped popcorn is ¼ ounce equivalent of whole grains
- 1 ½ cup (or .5 ounces (14 grams) popped popcorn is ½ ounce equivalent of whole grains
- 3 cup (or 1.0 ounces (28 grams) popped popcorn is 1 ounce equivalent of whole grains

As the amount needed to credit as a serving for grains, providers are encouraged to pair popcorn with another creditable grain to meet grain requirements. For example, popcorn with cereal or pretzels for a snack. To credit commercially prepared foods, providers must obtain a Product Formulation Statement. Providers are to use their discretion in determining if a certain popcorn product or recipe is perceived to be a grain-based dessert and to follow the guidance in place for grain-based desserts accordingly.

### **Non-Creditable Grains**

Whole grains, enriched grains, bran, and germ are creditable grains in the CACFP. Other grain ingredients are considered non-creditable. There may be times when non-creditable grains appear in the ingredient list of a food. Some examples of non-creditable grain ingredients include: flours that are not enriched or whole grain, wheat starch, corn starch, modified food starch, and vegetable flours (e.g., potato and legume flours).

Non-creditable grains in insignificant amounts are acceptable. To the extent possible, Sponsors should choose foods with an insignificant amount of non-creditable grains.

## **Determining Creditable Grains**

Grain products that will not be used to meet the whole grain-rich requirements may continue to be credited using previous methods of crediting. Grain products labeled as ‘whole grain’ or ‘enriched’, or grain products with the first grain ingredient listed as enriched or whole grain will be creditable.

ODE CNP has developed [Flowchart for Creditable and WGR Grains](#) to help sponsors identify creditable grains.

### **Rule of Three**

When identifying whether a grain product is creditable, Sponsors may use the **rule of three** as one of the determining methods. The rule of three means looking at the first three grain ingredients to determine that they are either whole grain or enriched. To use the rule of three:

- Make sure the first grain ingredient (or second after water), is whole or enriched, and
- The next two grain ingredients (if any) are whole grains, enriched grains, bran, or germ.

If the product has the statement “contains 2% or less,” any ingredients listed after that statement are considered insignificant. They do not need to be considered in the **rule of three**. For example, an ingredient list may state “contains less than 2% of wheat flour and corn starch.” In this example, the wheat flour and corn starch can be disregarded.

Grains and non-grains may be mixed together on an ingredient list. For example, a bread ingredient list may say: “water, whole wheat flour, yeast, sugar, enriched white flour, wheat gluten, brown rice flour, salt.” In this example, the first ingredient after water is a whole grain. The second grain ingredient is an enriched grain, and the third grain ingredient is a whole grain. This bread passes the **rule of three** test. It also meets the whole grain-rich criteria because the first ingredient after water is a whole grain. Sponsors do not need to check any other grain ingredients further down on the ingredient list to verify if they are creditable.

There is no need to use the **rule of three** for ready-to-eat breakfast cereals that are fortified. If a ready-to-eat breakfast cereal has a whole grain as the first ingredient (or second after water), and it is fortified, it meets the whole grain-rich criteria.

**Note:** Wheat gluten is not a grain- gluten is protein in the grain.

### **Whole Grain-rich Criteria**

At least one serving of grains per day must be whole grain-rich. A whole grain-rich food contains 100% whole grains, or at least 50% whole grains with the remaining grains in the foods enriched. Bran and germ are credited the same as enriched or whole-grain meal or flour. This whole grain-rich requirement only applies to meals served to children and adults; it does not apply to infant meals.

There are four ways to determine if a grain product meets the whole grain-rich criteria. The following checklist can be used to decide if a grain is whole grain-rich. The food must meet at least one of the following:

1. The food is labeled as “whole wheat”.

Grain products that are specifically labeled as “whole wheat bread”, “entire wheat bread”, “whole wheat rolls”, “entire wheat rolls”, “whole wheat buns”, and “entire wheat buns” are 100 percent whole wheat and meet the whole grain-rich criteria.

These products generally will not have any refined grains listed in the ingredient statement. If they do, it is considered to be an insignificant amount.

Please note that foods with the label “whole grain”, “made with whole grains”, “made with whole wheat”, or “contains whole grains” do not necessarily meet the whole grain-rich criteria.

2. A whole grain is listed as the first ingredient on the food’s ingredient list (or second after water), and the next two grain ingredients are creditable (whole or enriched grains, bran, or germ). This is called the **rule of three**. More information about the **rule of three** is located in the section titled **Rule of three**.

Some examples of whole grain ingredients are whole wheat, brown rice or wild rice, oatmeal, bulgur, whole-grain corn, and quinoa.

3. The product includes one of the following Food and Drug Administration approved whole-grain health claims on its packaging:

“Diets rich in whole grain foods and other plant foods and low in total fat, saturated fat, and cholesterol may reduce the risk of heart disease and some cancers.”

-OR-

“Diets rich in whole grain foods and other plant foods, and low in saturated fat and cholesterol, may help reduce the risk of heart disease.”

FNS is allowing the FDA whole grain health claims to be sufficient documentation to demonstrate compliance with the whole grain-rich criteria.

The Whole Grain Stamps from the Whole Grain Council may not be used to determine if a grain product meets the whole grain-rich criteria. Products that display a Whole Grain Stamp may also contain high amounts of non-creditable grains, such as non-enriched refined flour. Therefore, the Whole Grain Stamps from the Whole Grain Council alone are not sufficient documentation to demonstrate a product is whole grain-rich. Sponsors must still review the ingredient list to determine that whole grains are the primary grain ingredient and there are insignificant amounts of non-creditable grains. The **rule of three** is an easy way to accomplish this.

#### WIC Breakfast Cereals

WIC breakfast cereals labeled whole grain meet the current CACFP whole grain-rich criteria under method 3 (FDA labeling statement) as a method of determining whether a breakfast cereal meets the whole grain-rich requirement. WIC breakfast cereals identified with a purple circle and a “W” in the middle are whole grain breakfast cereals. WIC breakfast cereals include ready-to-eat and instant and regular hot cereals.

4. Proper documentation (from a manufacturer or a standardized recipe) demonstrates that whole grains are the primary grain ingredient by weight.

When a whole grain is not listed as the first ingredient or second after water, the primary ingredients by weight may be a whole grain if there are multiple whole-grain ingredients and the combined weight of those whole grains is more than the weight of the other enriched grains. Proper documentation

from the manufacturer (i.e. a Manufacturer's Product Formulation Statement) or a recipe must be available showing whole grain weights. The whole grain weights will have to add up to at least 50% of the total grains, and the rest of the grains must be enriched.

When the first ingredient (or second after water) on a grain food's (e.g., breads and rolls) ingredient list or the grain portion of a mixed product's (e.g., breaded chicken patties) ingredient list is not whole grain or enriched, Sponsors must request proper documentation from a manufacturer demonstrating the primary grain ingredient by weight is whole grain to decide if the product meets the whole grain-rich criteria.

If documentation, such as a product formulation statement or recipe, is not available to show the whole grain weights, the product cannot be credited toward the whole grain-rich criteria of the meal pattern.

### **Creditable and Whole Grains Flowchart**

ODE CNP has developed a flowchart to assist sponsors and providers in identifying creditable grains and whole grain-rich grain products. The flowchart incorporates all four methods of crediting whole grain-rich products, including the *rule of three*.

### **Menu Documentation for Grains**

For all whole grain-rich items, maintain a copy of the packaging or the ingredient statement on file in order to verify that the items served are whole-grain rich.

Menus must have the whole grain-rich food item documented to demonstrate that one serving of whole grain-rich food was provided during the day. Food ingredient labels, and Product Formulation Statements (if necessary) must be on file to ensure the whole grain-rich item meets grain requirements. If a grain component is served during the day and a whole grain-rich food is not served, the meal or snack with the lowest reimbursement will be disallowed.

For example: a center serves breakfast, lunch and snack and all meals had a grain component, but the menu does not document that any of the meals/snacks included a whole grain-rich food. Then the lowest reimbursed meal, the snack, would be disallowed.

### **Breakfast Cereals**

Breakfast cereals include ready-to-eat cereals and instant and hot cereals. Breakfast cereals must meet the sugar limit and be whole grain-rich, enriched, or fortified.

For all types of cereals in the infant, children and adult meal patterns, there is now a sugar limit: the cereal must contain no more than 6 grams of sugar per dry ounce in order to credit as part of the grains component. One (1) dry ounce is approximately 28 grams. This requirement will help further reduce children's intake of added sugars, as recommended by the Dietary Guidelines for Americans.

There are four (4) suggested methods to make sure a breakfast cereal meets the new sugar limits:

1. The easiest way is to use the Oregon WIC approved breakfast cereals list from the Oregon WIC Food list. All Oregon WIC approved cereals must contain no more than 6 grams of sugar per dry ounce, so they meet the same sugar limit requirements as CACFP. This is a quick way to make sure your cereal meets the new sugar limit.

The Oregon WIC website has a complete list of WIC approved cereals that meet the sugar limit.

**Note:** WIC approved cereals do not always meet the whole grain rich requirement, so it should not be used to find WGR items.

2. Use USDA's Team Nutrition training worksheet "[Choose Breakfast Cereals That Are Low in Added Sugar](#)". The worksheet includes a chart with common breakfast cereal serving sizes and the maximum amount of sugar the breakfast cereal may contain per serving.
3. Sponsors may also use the Nutrition Facts label on the cereal packaging to calculate the sugar content per dry ounce (see example provided below)
  - First, find the serving size in grams at the top of the Label and the sugars listed towards the middle.
  - Next, divide the total sugars by the serving size in grams.
  - If the answer is equal to or less than 0.212, then the cereal is within the required sugar limit and may be creditable in CACFP.
4. Use an FNS-provided alternate calculation that uses rounding and aligns with the Team Nutrition training worksheet noted above:
  - First, find the serving size in grams at the top of the Nutrition Facts label.
  - Multiply the serving size in grams by 0.212.
  - If the answer in step 2 ends in 0.5 or more, round the number up to the next whole number. If the answer in step 2 ends in 0.49 or less, round the number down to the next whole number. For example, if the answer in step 2 is 4.24, it is rounded down to 4.
  - Next, find the Sugars listed towards the middle of the Nutrition Facts label.
  - Compare the number from Step 4 with the number in Step 3. If the number from Step 4 is equal to, or less than, the number in Step 3, the cereal meets the sugar limit and may be creditable in the CACFP.

### **Calculating the Sugar Content of Breakfast Cereals Using Method #3**

Using the sample nutrition facts label below,

1. First find the serving size. The serving size is 28 grams (outlined in red). Note, look at the grams, which is the weight, and not the cup, which is volume, when calculating sugar content.
2. Next find the amount for sugars. The grams of sugar are located under the heading "Total Carbohydrate" in the nutrition facts label (outlined in red). The amount of sugar in this cereal is 1 gram.
3. Divide by the serving size, which is 28 grams (which is equal to 1 dry ounce). This makes the amount of sugar 0.036, which is less than the threshold of 0.212. The cereal is creditable. The calculation of this cereal is shown underneath the nutrition facts label.

## Cereal, corn flakes

Nutrition Facts	
Serving Size 1 cup (28g)	
Servings Per Container 12	
Amount Per Serving	
<b>Calories</b> 105	Calories from Fat 9
% Daily Values*	
<b>Total Fat</b> 2g	<b>3%</b>
Saturated Fat 0g	<b>0%</b>
Trans Fat 0g	
<b>Sodium</b> 139mg	<b>6%</b>
<b>Total Carbohydrate</b> 20g	<b>7%</b>
Dietary Fiber 3g	<b>12%</b>
<b>Sugars</b> 1g	
<b>Protein</b> 0g	<b>0%</b>

\*Percent Daily Values are based on a 2,000 calorie diet.

Calculate the amount of sugar per serving:

Sugars in the cereal example = 1 gram

Serving size of the cereal            28 grams

1 gram divided by 28 grams = 0.036 grams, which is less than 0.212 grams.

The Nutrition Facts Label must be saved for each breakfast cereal on the menu to show the amount of sugar provided by the cereal. [Chapter 10 Menu Records](#) provides additional detail for menu documentation requirements for breakfast cereals.

ODE CNP has [wallet size cards](#) to use for determining the sugar limits for breakfast cereals and yogurt on the CACFP Meal Pattern and Menu Planning Page. [Instructions for using the wallet size cards](#) are also on the same webpage.

### **Grain-based Desserts**

Because grain-based desserts are a source of added sugars and saturated fats, they help contribute to increased risks of chronic illnesses. Due to their impact on overall health, they are **not creditable** toward all reimbursable meals and snacks.

To determine which grain items are considered grain-based desserts, FNS has provided the [Exhibit A chart](#). Exhibit A is a list of grains grouped together by type. Exhibit A has been color-coded to show which items are considered grain-based desserts. Items in red are considered grain-based desserts and do not credit for the grains component.

Items, such as sweet crackers (i.e. graham crackers and unfrosted animal crackers) have a superscript of 5. These items may count toward the grain component in the CACFP. To reflect this, items with a superscript of 5 have been color-coded in blue on Exhibit A.

Below is a list of grain-based desserts. This is by no means a complete list, but it covers some of the common grain based desserts that are served. None of the items listed below creditable towards a reimbursable meal. Note that savory pie crusts, such as used in main dish pot pies, do not fall under



the list of grain-based desserts.

When a provider has special events such as birthdays, celebrations, and festivals, grain-based desserts can be served as an extra food item only. The grain-based dessert is not part of the reimbursable meal or snack.

**Note:** Changing the name of grain-based desserts, such as Cookie to Breakfast Round, does not make the item creditable.

### **Partial List of Grain-based Dessert**

- Breakfast Bars
- Brownies
- Cakes
- Cereal Bars
- Cookies
- Doughnuts
- Granola Bars
- Sweet bread puddings
- Sweet piecrusts
- Sweet rolls, scones
- Toaster pastries

### **Crediting Meat/Meat Alternates**

Meat includes lean meat, poultry or fish. Meat alternates include cheese, eggs, yogurt, cooked dry beans or peas, dried meat, poultry, and seafood, nuts and seeds and their butters, surimi seafood, tofu and alternate protein products (APP).

Cheese food and imitation cheese are not creditable meat/meat alternates.

To be counted toward meeting any part of the Meat/Meat Alternate requirement, a food item must provide a minimum of ¼ ounce cooked lean meat or meat equivalent. The rest of the required Meat/Meat Alternate serving must be met by adding other Meat/Meat Alternate foods.

A serving of cooked meat is considered to be lean meat without bone.

Nuts and seeds may fulfill no more than one-half of the Meat/Meat Alternate requirement for lunch and supper but may fulfill all of the Meat/Meat Alternate requirement for a snack. One ounce of nuts or seeds is equal to one ounce of cooked lean meat. Acorns, coconut and chestnuts are not creditable as Meat/Meat Alternates.

Shelf-stable, dry, or semi-dry, meat snacks made from meat, poultry or seafood may credit in Child Nutrition (CN) Programs. Product Formulation Statement (PFSs) or products labeled under the CN Labeling Program are the two acceptable formats for documenting meal contributions from dried meat, poultry, and seafood products. When a PFS is provided for a dried meat product, it should be evaluated to ensure the following crediting principles are followed. The creditable meat ingredient listed on the PFS must match or have a similar description as the ingredient listed on the product label:

- The creditable meat ingredient listed on the PFS must have a similar description to a food item in the Food Buying Guide for CNPs; and



- The creditable amount cannot exceed the finished weight of the product.

Surimi seafood is a pasteurized, ready-to-eat, restructured seafood usually made from pollock (fish). Crediting information for surimi seafood is below.

<b>Surimi Seafood (ounces)</b>	<b>Meat/ Meat Alternate (ounce equivalents)</b>
4.4	1.5
3.0	1.0
1.0	.25

*Alternate Protein Products (APP)* are creditable as Meat/Meat Alternates only as described in the USDA Food Buying Guide. To be creditable, supporting documentation such as a Product Formulation Statement, must be on file. If you have questions about a specific item, refer to the [USDA Food Buying Guide \(FBG\)](#). If you have additional questions, contact your assigned Child Nutrition Specialist.

Cooked dry beans or peas (legumes) and pasta products made of 100% legume flour may be counted as a Vegetable component or as a Meat/Meat Alternate component. When a meal contains one serving of beans and peas (legumes), it can only count toward the meat/meat alternate component or the vegetable component and not both. When a meal contains two distinct servings of different beans and peas (legumes), one may be counted towards the vegetable component and one towards the meat/meat alternate component, if they are in separate dishes. For example: legumes served as part of a salad (vegetable component) and as part of a chili or bean soup (meat/meat alternate). For pasta made of 100% legume flour to credit as a meat alternate, it must be offered with additional meat/ meat alternate (such as tofu, cheese, or meat).

If you have questions about a specific item, contact your assigned Child Nutrition Specialist.

### **Yogurt**

A serving of yogurt includes commercially prepared plain or flavored yogurt, unsweetened or sweetened and soy yogurt. Homemade yogurt is not creditable. Yogurt must contain no more than 23 grams of TOTAL sugar per 6 ounces. This sugar limit applies to all age groups, including infants.

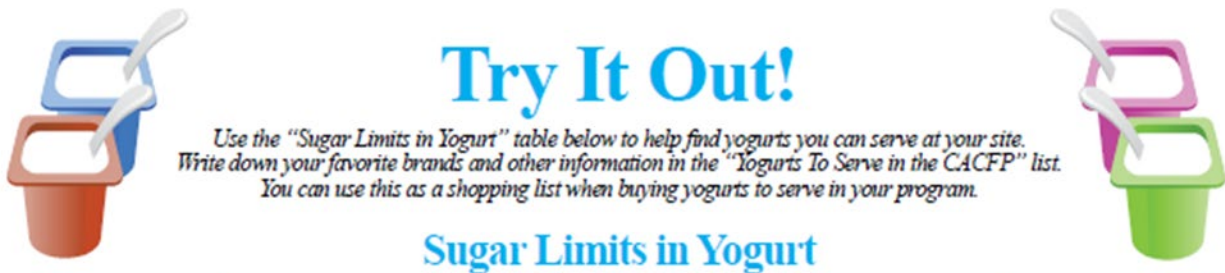
Four (4) ounces of yogurt credits as one (1) ounce meat/meat alternate.

The following are not creditable as meat/meat alternates:

- Frozen yogurt
- Drinkable yogurt
- Homemade yogurt
- Yogurt flavored products
- Yogurt bars
- Yogurt covered fruits and nuts
- Yogurt in commercially prepared smoothies

There are 2 ways to determine if a yogurt product meets the sugar limit requirements.

1. The first method is called the “chart method” as the Sugar Limit Threshold Chart is used
  - a. The first step is to look at the nutrition facts label for the yogurt.
  - b. Identify the serving size. In the sample Nutrition Facts label below, the serving size is a six (6) ounce container. It is important to be aware that the serving size may be different than the package size.
  - c. Find the total amount of sugars. The total amount of sugars is under the heading “Total Carbohydrates”. In the example below, the serving size has 19 grams of sugar.
  - d. Look at the yogurt sugar limit chart below:
    - i. Find the serving size, in this case, six (6) ounces, and check whether the amount of sugar in the yogurt is less than or equal to the amount listed in the chart for the same serving size in ounces. In this example, a serving size of six (6) ounces of yogurt can have no more than 23 grams. The sugar amount is 19 grams, which is less than 23 grams, so the yogurt is creditable. The yogurt chart is also available on the USDA Team Nutrition website titled: [“Choose Yogurts Lower in Added Sugar”](#).



Serving Size Ounces (oz)	Serving Size Grams (g) <small>(Use when the serving size is not listed in ounces)</small>	Sugars	Serving Size Ounces (oz)	Serving Size Grams (g) <small>(Use when the serving size is not listed in ounces)</small>	Sugars
If the serving size is:			If the serving size is:		
1 oz	28 g	Sugars must not be more than: 4 g	4.75 oz	135 g	18 g
1.25 oz	35 g	5 g	5 oz	142 g	19 g
1.5 oz	43 g	6 g	5.25 oz	149 g	20 g
1.75 oz	50 g	7 g	5.3 oz	150 g	20 g
2 oz	57 g	8 g	5.5 oz	156 g	21 g
2.25 oz	64 g	9 g	5.75 oz	163 g	22 g
2.5 oz	71 g	10 g	<b>6 oz</b>	<b>170 g</b>	<b>23 g</b>
2.75 oz	78 g	11 g	6.25 oz	177 g	24 g
3 oz	85 g	11 g	6.5 oz	184 g	25 g
3.25 oz	92 g	12 g	6.75 oz	191 g	26 g
3.5 oz	99 g	13 g	7 oz	198 g	27 g
3.75 oz	106 g	14 g	7.25 oz	206 g	28 g
4 oz	113 g	15 g	7.5 oz	213 g	29 g
4.25 oz	120 g	16 g	7.75 oz	220 g	30 g
4.5 oz	128 g	17 g	8 oz	227 g	31 g

2. The second method is a calculation method:
  - a. This method shows the calculation that was used in the creation of the Sugar Limit Threshold Card and can be used if the card is not available
  - b. USDA has established a threshold number, which is the maximum amount of sugars per ounce that is allowed for yogurt. This threshold is 3.83 grams of sugar per ounce.
  - c. If there is a yogurt that does not come in the serving sizes listed on the chart, the total amount of sugar per ounce will need to be calculated to determine if the yogurt is

- at or below the threshold of 3.83 grams of sugar per ounce.
- The threshold number is calculated by dividing 23 grams of sugar by six (6) ounces of yogurt, which is the sugar limit established by the regulations.
  - For the sample Nutrition Facts Label below calculate the amount of sugar per ounce by:

$$\frac{\text{sugars}}{\text{serving size}} = \frac{19 \text{ grams}}{6 \text{ ounces}} = 3.16 \text{ grams}$$

3.16 grams of sugar per ounce is below the threshold of 3.83 grams of sugar per ounce.

<b>Nutrition Facts</b>	
Serving Size 6 oz Container	
Amount Per Serving	
<b>Calories</b> 90	
	<b>% Daily Values*</b>
<b>Total Fat</b> 0g	<b>0%</b>
Saturated Fat 0g	<b>0%</b>
Trans Fat -1g	
<b>Cholesterol</b> 6mg	<b>2%</b>
<b>Potassium</b> 140mg	<b>4%</b>
<b>Sodium</b> 65mg	<b>3%</b>
<b>Total Carbohydrate</b> 14g	<b>5%</b>
Dietary Fiber 2g	<b>8%</b>
<b>Sugars</b> 19g	
<b>Protein</b> 12g	<b>24%</b>
<b>Calcium</b> 15%	<b>Vitamin D</b> 10%
*Percent Daily Values are based on a 2,000 calorie diet. Your Daily Values may be higher or lower depending on your calorie needs.	
	Calories    2,000    2,500
Total Fat	Less than    65g    80g
Sat Fat	Less than    20g    25g
Cholesterol	Less than    300mg    300mg
Sodium	Less than    2400mg    2400mg
Total Carbohydrate	300g    375g
Dietary Fiber	25g    30g

The Nutrition Facts Label must be saved for each yogurt on the menu to show the amount of sugar provided by the yogurt.

**Note:** WIC approved yogurt does not meet the sugar requirements, so it should not be used to find creditable yogurt items.

### Crediting Tofu

Tofu that is commercially made credits as a meat/meat alternates for participant’s meals. Soy links and sausages must have Child Nutrition (CN) labels or manufacturer’s Product Formulation Statement (PFS) that show the product meets protein requirements. Tofu cannot be credited as part of a reimbursable meal for infants.

Commercially prepared tofu must be easily recognized as a meat substitute, meaning that the tofu cannot be blended in a smoothie or soup. Tofu must meet the protein requirements of 5 grams of protein per 2.2 ounces by weight. Only firm and extra firm will meet the protein requirements for tofu.

Nutrition labels with manufacturer’s name and brand name for all tofu served must be saved to verify that the tofu served meets protein requirements. The Nutrition Facts Label must be saved for each

tofu item on the menu to show that the item meets the protein requirements. Chapter 10 Menu Records provides additional detail for menu documentation requirements for yogurt.

The ODE CNP website also has recipe ideas from USDA and the state of Wisconsin. The link for these recipes is: [Tofu Recipes](#).

### **Serving Meat/meat alternates in place of the grain/bread component at breakfast:**

A meat/meat alternate may be substituted for the entire grain component for breakfast up to three times a week. For example, instead of toast, oranges, and milk, a hardboiled egg or baked tofu with orange slices, and milk may be served instead.

As a reminder, bacon is **NOT** a creditable meat in the USDA Food Buying Guide despite being a common breakfast item.

When serving meat/meat alternates in the place of grains for breakfast, 1 ounce of meat/meat alternate is equal to 1 ounce of grains.

This flexibility for breakfast will allow more variety in breakfast menus.

### **Crediting Vegetables/Fruits**

Vegetables and Fruits are two separate components. At lunch and supper one serving of the vegetable component and one serving of the fruit component must be provided. Alternately, a vegetable may be served to meet the entire fruit component for lunch and supper. When a vegetable is substituted for the fruit component at lunch and supper then the amount of vegetable served must be the same serving size as the fruit component it replaced. Additionally, the vegetable offered in place of the fruit component must be different from the vegetable offered as the vegetable component. For example, two servings of carrots would not be creditable for a lunch or supper.

If there is confusion on whether a component credits as a Vegetable or a Fruit, refer to the Food Buying Guide.

Fresh or frozen coconut may credit as a fruit based on the volume served. At least 1/8 cup of fresh or frozen coconut must be served to credit toward the fruit component. Dried coconut, coconut flour, and coconut oil are not creditable in the CACFP.

One cup of raw (uncooked) leafy greens (i.e. lettuce, spinach, etc.) counts as 1/2 cup vegetables, and 1/4 cup dried fruit counts as 1/2 cup fruit. Cooked leafy greens credit as the volume served. For example, 1/2 cup cooked spinach credits as 1/2 cup vegetable.

At snack, a serving of a vegetable component and a serving of a fruit component may be offered at the same time.

Cooked dry beans or peas (legumes) may be counted as a Vegetable component *or* as a Meat/Meat Alternate component. When a meal contains one serving of beans and peas (legumes), it can only count toward the meat/meat alternate component or the vegetable component and not both. When a meal contains two distinct servings of different beans and peas (legumes), one may be counted towards the vegetable component and one towards the meat/meat alternate component, if they are in separate dishes. For example: black beans served as part of a salad (vegetable component) and kidney beans served as part of a chili or bean soup (meat/meat alternate).

Hominy, when offered in its whole form, credits as a vegetable. 1/4 cup of canned, drained hominy credits as 1/4 cup of vegetable.

Pasta products made of 100% vegetable flours may credit to the vegetable requirements. One 1/2 cup of pasta made of 100% vegetable flour(s) credits as 1/2 cup of vegetables. Pasta products made of

100% legume flours may credit as a vegetable or meat alternate component, but not both at the same meal. See the section *Crediting Meat/ Meat Alternates* for more information on crediting 100% legume pasta as a meat alternate.

A minimum of 1/8 cup of vegetable or fruit must be served to count toward the Vegetable or Fruit meal pattern requirement when served in combination dishes or when used as garnishes. For example, vegetable soup must have at least 1/8 cup of vegetables per serving to count toward the Vegetable meal pattern component requirement. Lettuce on a sandwich must be at least equal to 1/8 cup equivalent to count toward the Vegetable meal pattern requirement.

Mixed fruit and vegetable dishes, such as carrot-raisin salad, may credit for both the fruit and vegetable components as long as the mixed dish contain at least 1/8 cup of vegetable and 1/8 cup fruit in easily identifiable forms.

Vegetable mixes, such as broccoli and cauliflower mixes may also credit for the vegetable component and substitute for the fruit component at lunch and supper if the mix contains at least 1/8 cup of two different types of vegetables. This is because a vegetable can replace the fruit component for lunch and supper.

For mixed fruit and vegetable dishes, the quantities of the different fruits and vegetables must be known. This means that pre-mixed vegetable mixtures, such as frozen carrots and peas, can't credit for 2 different vegetables.

A serving of cooked vegetables means *drained* vegetables. A serving of cooked, canned, or frozen, thawed fruit means fruit with its juices.

Home canned vegetables and fruits are not creditable.

## **Juice**

Fruit and vegetable juice must be 100 percent juice or [CN labeled](#). It may be fresh, canned, frozen or reconstituted from concentrate to its full-strength form. Full-strength fruit and vegetable juice is creditable toward the Vegetable or Fruit meal pattern component under the following conditions:

- Juice (vegetable or fruit) may only be served for one meal or snack per day.
- Fruit and vegetable juice must be pasteurized.
- Vegetable or fruit juice may not be credited toward fulfilling the Snack meal pattern requirement when milk is the only other component served
- Pureed fruits and vegetables in smoothies are considered juice
- Fruit juice blends (or fruit and vegetable juice blends) are creditable as long as the blended juice is 100% fruit juice (100% fruit and 100% vegetable juice). Juice blends can credit as a fruit component or a vegetable component. To determine what food component a juice blend contributes to, look to the ingredient list. If there are more fruit than vegetables in the ingredients list, the juice contributes to the fruit component, if there are more vegetables than fruit in the ingredients list, the juice contributes to the vegetable components.
- CN labeled fruit juice blends are credited as stated on the CN label statement



## Crediting Milk

Fluid milk must be served to meet the Milk meal pattern component requirement. Milk must be pasteurized, vitamin A and D fortified, and meet State standards for fluid milk. Cultured buttermilk, lactose-reduced milk, lactose-free milk, or acidified milk are creditable.

- **Participants Age 12 months through 23 Months**

Unflavored whole milk must be served to participants' *age twelve months through twenty-three months*. Milk is required at each meal: breakfast, lunch and supper. The milk component is optional at snack.

- **Transition at 2 years**

USDA recognizes that switching immediately from whole milk to 1% or fat-free milk when a child turns two years old may be challenging. Therefore, a one-month transition period is allowable between the 24th month and 25th month. During this one-month transition period, children may be served whole milk, reduced-fat (2%) milk, or low fat (1%) or fat-free milk and the meal may be claimed for reimbursement

- **Participants Ages 2 Years and Older**

Milk served to children two years and older must be low-fat (1%) or fat-free. Except for the one-month transition period, meals served with 2% or whole milk to participants after their second birthday will not be creditable for reimbursement unless there is a valid Medical Statement for Food Substitution on file for any participant(s) requiring a higher fat milk. See [Section E Medical Exceptions to the Meal Pattern](#) for further instructions.

- **Flavored milk**

*Children 1-5 years old:* Flavored milk served to children 1 through 5 years old is not creditable.

*Children 6 years old and older:* Flavored milk served to participants 6 years old and older or adults must be fat-free.

For breakfast meals, a serving of fluid milk can be served as a beverage, used on cereal, or used in part for each purpose.

When milk is one of the two components served for a snack, juice may not be the only other component served.

Milk used in cooked cereals, puddings, soups, or other foods may not be credited toward the Milk meal pattern requirement.

Creditable fluid milk for all age groups can be:

- Breast milk
- Lactose reduced
- Lactose free
- Buttermilk
- Acidified milk
- Goat milk
  - Must meet the fat percentage types for the age group it is served to
  - Goat milk without the fat percentage labeled is default 2% milkfat

## **Breast Milk**

Breast milk is considered fluid milk in the CACFP meal pattern. Breast milk is a creditable milk and may be offered to children of any age.

Meals are reimbursable if the parent/guardian provides expressed breast milk; or, when a mother breastfeeds a child at the center.

Breast milk may be served in combination with other milk types for a reimbursable meal. For example, a mother may bring  $\frac{1}{4}$  cup of breast milk and the sponsor can provide the additional  $\frac{1}{4}$  cup of fluid whole milk to make the total  $\frac{1}{2}$  cup serving.

Breast milk offered to children past age one do NOT require a medical statement.

## **Combination Foods**

Combination foods contain foods from more than one food group (Examples: casserole dishes, soups, and breaded meat items). Combination food dishes may be used to credit a total of three different meal components: Meat/meat alternate, Grains/breads, Vegetable or Fruit component.

Combination foods may be homemade or commercially prepared. Homemade combination foods are those that are assembled from multiple ingredients in a kitchen.

For commercially prepared combination food items on the menu, the provider must have one of the following on file:

- A Child Nutrition (CN) Label
- Documentation from the food manufacturer in the form of a [Manufacturer's Product Formulation Statement \(PFS\)](#) that certifies the amount of creditable ingredients in the product
- Product label for meat/meat alternate items with a [Standards of Identity](#).

For more information on CN labels, PFS and Standards of Identity refer to Section D [Menu Documentation](#).

## **Meal Pattern Flexibility During a Disaster—ODE CNP Approval Required**

Child Nutrition Programs policies are designed to allow flexibility and support continuation of meal benefits to participants in disaster areas. There are existing flexibilities in meal service requirements and administrative procedures that make it easier for sponsors to assist providers to operate and respond to disaster situations.

## **Meal Component and Meal Service**

Flexibility is allowed with regard to time of meal service.

If emergency conditions exist that prevent providers from obtaining fluid milk, ODE CNP may allow service of meals without milk or with an alternate form of milk, such as canned or dry milk [7 CFR 210.10(m)(2)(i); 7 CFR 225.16(f)(6); 7 CFR 226.20(e)]. Sponsors must contact their assigned Specialist for approval of any proposed changes or substitutions.

If changes to other meal component requirements are needed, Sponsors must consult with ODE CNP as soon as possible or as conditions allow before approving any changes requested by a provider.

## Section D - Menu Documentation

Providers are required maintain records of their meal/snack service by documenting the food and beverage items served on the menus to infants, and children in care. All providers must maintain the following documentation to be in compliance with the CACFP meal pattern.

### **General Menu Requirements:**

All menus must contain the following information:

- Date (month, day, year the meals/snacks were served)
- The current USDA non-discrimination statement
- Actual food items served –the menu must state the actual cereal served: for example, “WG Cheerios”
- Substitutions made to the menu, including substitutions made for participants with special dietary needs.

ODE CNP has developed a sample menu [template](#) which may be used by providers. A one week [sample menu](#) is also available

### **Whole Grain Requirements:**

When **ALL** grains served on the menu are whole grain items, the statement below may be written at the bottom or top of the menu.

- “All grains served are whole grain-rich”

When all the grain items listed on the menu are not whole grain, then each individual grain food item that is whole grain must be documented as whole grain next to the food item on the working menu. Some acceptable abbreviations of whole grains include:

- “WG” or “WGR” for whole grain or whole grain-rich
- “WW” for whole wheat

When breakfast cereal is served, the name of the cereal must be documented on the menu. This is required to verify that the breakfast cereal meets the required sugar limit. For example, “Cheerios” or “WGR Cheerios” if it meets the whole grain requirement.

### **Milk Requirements:**

For all milk listed on the menu, document the percent of the fat content for milk served for each age group next to the milk component on the working menu.

1. When flavored milk is served to children ages 6 and older, document the fat content of the milk served and the flavor served (i.e. non-fat, chocolate)
2. When the menu is used for only one age group, then the statement below may be written at the bottom or top of the menu:
  - a. For ages 12-23 months: “All milk served is whole unflavored milk”
  - b. For ages 2-5: “All milk served is 1%/non-fat unflavored milk”.
  - c. For ages 6 & older: “All milk served is 1%/non-fat unflavored or non-fat flavored milk”. The provider is required to document the flavor (chocolate, strawberry, etc.) of milk on the working menu when flavored milk is served for a meal/snack.
3. When the menu is used for multiple age groups then a statement may be written at the bottom or the top of the menu:



- a. “All milk served is whole, unflavored milk for ages 12 -23 months; 1%/ non-fat, unflavored milk for ages 2-5”
- b. “All milk served is 1%/non-fat unflavored or non-fat flavored milk for participants ages 6-12”

### **Yogurt:**

When yogurt is served the flavor of the yogurt must be documented on the menu each time yogurt is listed on the menu. This is required to verify that the yogurt meets the required sugar limit.

### **Infant Menu Production Records**

- All infants in care must have individual menus
  - Infant feeding habits may be unique to each infant in care
- Breast milk or the brand name of infant formula must be documented on the menu.
- Any parent supplied items must be documented on the menu with *PS* next to the item.
- When the infant is developmentally ready to receive solid foods, providers must document the actual food item on the Infant Menu Production record.
- The ODE CNP [infant menu production record template](#) for 0-5 month old infants and 6-11 month old infants includes instructions for documenting the actual food, and the breast milk or infant formula offered for each meal/snack.

### **Electronic Menu Software Programs**

For Sponsors and providers who are using menu software programs, the above menu information must be integrated into the software program.

### **Supporting documentation:**

Providers are required to keep supporting menu information on file for three years plus the current fiscal year.

- A CN label or Product Formulation Statement (PFS) for commercially prepared combination foods, including combination foods served to infants. Include the Manufacturer’s name and the name of the item served.
- Nutrition facts label with brand name of cereal served.
- Ingredient label with Manufacturer’s name and brand name of whole grain items served.
- Nutrition facts label with Manufacturer’s name, brand name and flavor of yogurt served.
- Nutrition facts label with Manufacturer’s name of tofu food items served.
- Product label with product name for meat/meat alternate items served that have a Standard of Identity. An example of a product with a Standard of Identity is Chili Con Carne.

The documentation may be a photograph of the documentation, a photo copy or the actual label. The information must be legible.

### **Sponsor Monitoring Requirements of Menu Documentation**

When the Sponsor’s monitoring staff conducts monitoring reviews in the provider’s home, the monitors must review menus and the required supporting documentation for the same five (5) days that the Five- Day Meal Reconciliation is completed. Monitors must review:

- CN labels or Product Formulation Statements (PFS) for any commercially prepared combination foods served during the 5 days.
- Nutrition facts labels for all breakfast cereals served during the 5 days to verify the cereal met the sugar requirement.
- Ingredient labels for all whole grain-rich items served during the 5 days.
- Nutrition facts labels for all yogurt served during the 5 days to verify the yogurt met the sugar requirement.
- Nutrition facts labels for all tofu served during the 5 days to verify that the tofu meets requirements.
- Standard of Identity for any products with a standard of identity served during the 5 days.

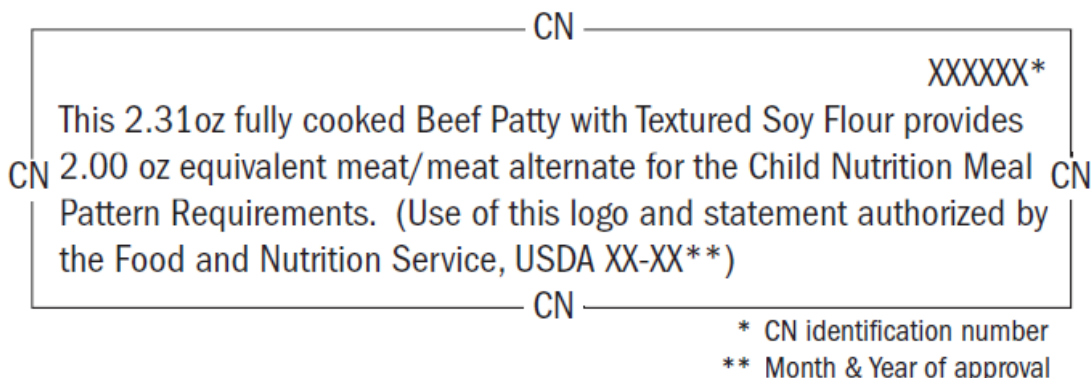
### **Child Nutrition (CN) Labels**

The [CN Labeling Program](#) is offered by USDA Agricultural Marketing Service (AMS) as a voluntary technical assistance program for food companies that manufacture combination meat and poultry products or fruit juice products containing at least 50% full-strength juice. CN Labeled products are not typically found in neighborhood grocery stores but are available through food brokers and food service distributors. Large warehouse-type food stores may also carry some CN Labeled products.

CN Labeled food products always have a *CN logo* and a *CN Label statement* printed on the product packaging. The *CN logo* is a distinct box around the CN Label statement with the letters “CN” printed midway on each side of the box. (See Example below) The *CN Label statement* is inside the box and includes the following information:

- The product identification number
- A statement of the product’s contribution toward meal pattern requirements, i.e. the statement will identify the contribution of a specific portion of a combination meat product toward the Meat/Meat Alternate, Grains/Breads, and/or Vegetable/Fruit component of the meal pattern requirements
- A statement that the product’s CN Labeling was authorized by USDA AMS
- The approval date

*A sample CN logo:*



See [Appendix C of the Food Buying Guide](#) for more information about what the CN Label tells you.

The CN Label is only valid when the label is attached to the purchased product. Providers may keep the actual CN Label with the manufacturers and product name from the original package. Instead of

keeping actual labels for the product, providers may keep a photograph or a photocopy of the CN label logo with the manufacturers and product name. Any of these options are valid for CACFP crediting purposes.

Providers are only required to keep one CN Label for each CN Labeled item that is on the menu regardless of the number of times the item appears on the menu. If a different brand of the same type of CN Labeled menu item is purchased (e.g., breaded chicken patties) the provider must keep a CN Label from the new brand as well as the CN label from the brand previously served.

The CN Labels from combination food products served as part of a meal claimed for reimbursement by providers must be kept on file at the provider's home.

**Note:** Some CN Labeled food products require a very large portion size to meet minimum Meat/Meat Alternate meal pattern requirements. For this reason, some CN Labeled food products may not be good menu items for Child and Adult Care Food Programs serving young participants. Providers must be sure to check CN Labels for serving sizes to determine if the product is suitable for ages being served. Providers should be provided with technical assistance when a sponsor believes a product may not be suitable in a given situation.

### **Manufacturer's Product Formulation Statement (PFS)**

Commercially prepared combination foods without CN Labels or the original product label showing the product meets USDA Standards of Identity must have a completed and signed PFS on the manufacturers' letterhead that demonstrates how the commercially prepared combination food contributes to the meal pattern requirements.

A PFS must be an *official product analysis sheet* from the food manufacturer, not an analysis or a product specification sheet from a salesperson. The PFS for a commercially prepared combination food product must include:

- A list of all ingredients (e.g., grain products must be specified whole grain or enriched)
- The *ingredient weight* per serving of each ingredient to be credited toward the meal pattern
- The weight of the creditable ingredients specified as raw or cooked weight
- The weight or volume of the product serving size, or the number of pieces per serving
- The signature of the manufacturer's representative stating the information provided is true and correct

The manufacturer must indicate how the creditability of the meal components contained in the combination food item was determined. It is never acceptable for a manufacturer to simply state that the product provides a certain amount of credit for the Child Nutrition meal pattern.

The original PFS for combination food products served as part of a meal claimed for reimbursement by providers must be sent to the sponsor with the menu records at the end of the claim month. Sponsors must retain the original PFS on file to support the provider's claim.

### **Standard of Identity Product Labels**

A *Standard of Identity* has been established by USDA for some commercial combination food products. A *Standard of Identity* specifies all ingredients and their quantities in order for a product to bear a *specific name*. For example, if a product is named "Chile con carne," which has a standard of identity, all chili con carne products will have the same primary food ingredients in the specific quantities required. The [Food Buying Guide for Child Nutrition Programs \(FBG\)](#) provides meat/meat alternate crediting information for some standardized combination foods.

Crediting information is provided for the meat/meat alternate component only and has been summarized from the FBG for sponsors so they may assist providers on the ODE CNP [Standard of Identity Chart](#). The list is inclusive of all USDA evaluated products, except for combination fish products (breaded fish products do not have a *Standard of Identity* and may not be credited without a CN Label or a PFS).

To credit commercial combination foods with a *Standard of Identity* in the Child and Adult Care Food Program (CACFP) meals the following requirements must be met:

- The product name of the food (e.g., chili con carne) on the product label must *exactly* match the name of the product listed in the FBG or on the ODE CNP summary list. The product brand name is unimportant.
- Providers must keep an actual product label, photograph or photocopy of the label that shows the product name exactly matches the name in the FBG on the ODE CNP Standard of Identity Chart.
- The product is credited toward the meat/meat alternate component only

**Note:** The product portion size needed to fulfill the minimum meat/meat alternate requirement may be unreasonably large for some age groups served. Providers may choose to not serve the product or may serve a smaller portion with an additional meat/ meat alternate food item that, together, provides the full minimum quantity required.

### **Nutrition Facts Labels**

When breakfast cereals, yogurt and tofu are served as part of a reimbursable meal or snack, a nutrition facts label must be kept on file by the provider. The nutrition facts label serves to document:

- Breakfast cereals- the amount of sugar in the cereal.
  - Additionally a list of ingredients must be kept on file to document the cereal is a whole grain, when the cereal is used as one of the daily whole grain-rich items.
- Yogurt- the amount of sugar in the yogurt and
- Tofu- the amount of protein per 2.2 ounces of weight.

The provider may keep the actual nutrition fact label with the manufacturer's name and brand or they may keep a photograph or photocopy of the label.

### **Ingredient list**

The provider must keep a list of ingredients for all whole grain-rich items served as part of the reimbursable meal or snack. The provider may keep the actual ingredient list with the manufacturer's name or they may keep a photograph or photocopy of the ingredient list.

## **Section E – Exceptions to the Meal Pattern & Medical Statements**

Federal regulations require providers to offer to all participants' breakfasts, lunches, suppers, snacks, and milk that meet the meal requirements identified in the Program regulations.

Federal regulations further require Sponsors to make substitutions to the standard meal requirements for participants with medical conditions and whose medical condition restricts their diet. See Participants with Disabilities, below. CFR 210.10 (g)(1), CFR 220.8 (d), 226.20(h), and 225.16(f)(4).

A Sponsor may, at their discretion, make substitutions for individual participants who are persons without medical conditions but are unable to consume a food item because of another special dietary need. See [Participants with Non-Medical Requests](#), below.

If a state licensed physician or health care professional, who is authorized to write medical prescriptions under state law, assesses that a special dietary need such as a food allergy or a medical condition may substantially limit a major life activity or a major bodily function, and the provider must make the substitutions prescribed by the state licensed health care professional. In Oregon, State licensed health care professionals include:

Medical Doctors of Medicine (MD);  
Doctors of Osteopathy (DO);  
Doctors of Naturopathy (ND);  
Physician's Assistant (PA);  
Certified nurse practitioner or clinical nurse specialist;  
Doctor of Dental Medicine (DMD);  
Doctor of Dental Surgery (DDS);  
Doctor of Optometry (OD).

ODE CNP has one form to be used by sponsors when a parent/guardian or adult participant identifies that a disability or medical or other special dietary needs exists

- [Medical Statement to Request Special Meals and/or Accommodations](#)

*In addition, ODE CNP has created two resources to assist Sponsors in determining when a Medical Statement or Meal Preference Request Form may be required and which form to use:*

- [Meal Accommodation Quick Guide for Sponsors and Providers](#)
- [Meal Accommodation Decision Tree](#)

### **Participants with Medical Conditions (Disabilities)**

The ADA Amendments Act of 2008 expanded and clarified the definition of Disability. It did not change the expectation to provide a reasonable modification. The Act makes it very clear that the emphasis must be on providing the reasonable modification, and not placing a burden on the disabled participant to prove he/she/they has a disability.

A person with a disability is defined as any person

- With a physical or mental impairment which substantially limits one or more major life activities,
- Who has a record of such impairment, or
- Who is regarded as having such impairment.

“Major life activities” are broadly defined and included, but are not limited to, caring for oneself, performing manual tasks, seeing, hearing, eating, sleeping, walking, standing, lifting, bending, speaking, breathing, learning, reading, concentrating, thinking, communicating, and working. “Major life activities” also include the operation of a major bodily function, including but not limited to, functions of the immune system, normal cell growth, digestive, bowel, bladder, neurological, brain, respiratory, circulatory, endocrine, and reproductive functions.

The term “Substantially Limits” has been revised to

- Recognize that an impairment does not need to prevent or severely/significantly restrict a major life activity
- Recognize that the determination of an impairment is based on individualized assessment or a case-by-case basis
- Recognize that participants who take measures to improve or control an impairment are still considered to have a disability and require an accommodation
- Include an impairment that is episodic or in remission if it would substantially limit a major life activity when active.

Program regulations require providers to provide modifications for participants with medical requests on a case-by-case basis only when requests are supported by a written statement from a State licensed healthcare professional.

Meals that do not meet the Program meal pattern requirements are not eligible for reimbursement unless supported by a medical statement. However, providers may choose to accommodate medical requests related to a disability that are not supported by a medical statement if the requested modification can be accomplished within the meal pattern (i.e. the modification does not eliminate a meal pattern component or requirement). Such meals are reimbursable.

The USDA memo: *“Policy Memorandum on Modifications to Accommodate Disabilities in the Child and Adult Care Food Program and Summer Food Service Program”*, dated June 22, 2017, provides additional information on meal accommodations. The ODE CNP memo *“Guidance Related to the ADA Amendments Act”*, dated June 10, 2013, provides additional information how the ADA Amendments Act of 2008 broadened the list of Major Life Activities used in identifying disabilities. These memos are located at: [Child Nutrition Memos](#)

A participant whose disability restricts his or her diet shall be provided substitutions in foods only when supported by a *Medical Statement* form, found on the [CNP Meal Accommodations and Modifications webpage](#), signed by an Oregon licensed health care professional, who is authorized to write medical prescriptions.

The medical statement shall include:

- Enough information regarding participant’s physical or mental impairment that is sufficient to allow the provider to understand how the disability restricts the participant’s diet;
- An explanation of what must be done to accommodate the medical request;
- If the accommodation includes modifying foods provided to the participant, then the food or foods to be omitted and recommended substitutions must be identified.

For example: If the medical request requires caloric modifications, meal pattern or frequency modifications, or the substitution of a liquid nutritive formula, then the information must be included in the statement.

If the medical request requires only textural modification(s) to the regular program meal, as opposed to a meal requirement modification, the medical statement is recommended but not required. In such cases, the purpose of the statement is to assist the provider in making the appropriate textural modification(s). Unless otherwise specified by the Oregon licensed health care professional the meals modified for texture will consist only of food items and quantities specified in the regular menus.

Providers must make reasonable modifications to the meal, including providing special meals at no extra charge, to accommodate medical requests, which restrict a participant’s diet.



## **Meal Service and Food Substitutions for Children with an Individual Education Program (IEP), Individual Family Service Plan (IFSP) and 504 Plans**

While this may be a rare occurrence in a Family Day Care Home, providers should be aware that the Individuals with Disabilities Education Act (IDEA) imposes requirements on states that may affect a provider, including the service of meals even when such service is not required by the Child Nutrition Programs. For example, the individualized education program (IEP) developed for a child under the IDEA may require a meal to be served outside of the regular meal schedule for program meals or to a child who is older than 12 years of age.

In order for these meals to be claimed for reimbursement providers will need to have the parent/guardian provide a copy of the child's 504 plan, in addition to the IEP or IFSP.

Please contact your assigned Child Nutrition Specialist for further assistance in determining whether meals and snacks served to children with an IEP or IFSP and a 504 plan may be claimed for reimbursement.

### **Participants with Non-Medical Requests**

Providers are not required to make substitutions for participants whose conditions do not meet the definition of a person with disabilities, but may choose to do so. ODE CNP recommends Sponsors develop an organization-wide policy for non-medical meal accommodations. Non-medical meal accommodations may include cultural, religious, lifestyle, or other requests.

In most cases, the special dietary needs of participants without disabilities may be managed within the normal program meal service when a well-planned variety of nutritious foods is available to participants. When providing a substitution for a non-medical meal accommodation request, the substitution must be consistent with the meal pattern requirements specified in Program regulations in order for the meal to be reimbursable. Even when a modification is made within the meal pattern, ODE CNP recommends having a completed [Meal Preference Request Form](#) on file for clarity in communication and to ensure safe and equal handling of all meal accommodation requests. The form may be signed by the participant's parent or guardian, or recognized medical authority.

### **Milk Substitutions/Non-dairy Beverages--Participants with Non-Medical Requests**

In the case of participants who cannot consume fluid milk due to a special dietary need, *but do not have a disability*, non-dairy beverages may be served in lieu of fluid milk. Participants without disabilities, who request a substitution for the fluid milk requirement at meals and snacks, must submit a [Meal Preference Request form](#). The form may be signed by the participant's parent or guardian, or recognized medical authority.

Non-dairy beverages must be nutritionally equivalent to milk and meet the nutritional standards for fortification of calcium, protein, vitamin A, vitamin D, and other nutrients to levels found in cow's milk, as outlined in the National School Lunch Program (NSLP) regulations at 7CFR 210.10(m)(3) and USDA Policy Memos: SP 02-2009, SP 07-2010, CACFP 04-2010, and SFSP 05-2010.

Non-dairy beverages served to children 1 through 5 years old must be unflavored due to the higher sugar content of flavored varieties. Non-dairy beverages that are not nutritionally equivalent to cow's milk and do not meet the nutritional standards outlined above cannot be claimed as part of a reimbursable meal. Juice and water are not nutritionally equivalent to milk, so they would not be a reimbursable substitution.

The ODE CNP [Non-Dairy Substitutes webpage](#) may be used to help providers identify non-dairy beverages that meet the above standards. The non-dairy substitutes that are currently determined to meet the nutritional standard for fluid milk for use as part of a reimbursable meal are listed on the ODE CNP Non-Dairy Substitutes webpage.

**Example:** If a participant follows a vegan diet, the parent/guardian can submit the *Meal Preference Request* form to the participant's center asking that soy milk be served in lieu of cow's milk. The form must identify that food(s) to be omitted and suggest substitutions. The non-dairy milk substitution must be nutritionally equivalent to cow's milk and meet the nutritional standards for fortification as outlined above. Such substitutions are at the option and the expense of the Sponsor.

**Note:** Meals containing non-dairy beverages that are not nutritionally equivalent to milk *may* be reimbursable **only for participants with disabilities** who have a [Medical Statement to Request Special Meals and/or Accommodations](#) on file signed by a licensed health care professional who is authorized to write prescriptions under State law.

Please visit [Child Nutrition Programs Meal Accommodations and Modifications](#) for more information.

### **USDA Reimbursement and Meal Changes**

Reimbursement for meals served with an authorized substitute food to participants with disabilities or to participants without disabilities with other special dietary needs shall be claimed at the same reimbursement rate as meals that meet meal requirements. Furthermore, participants or the participant's parent/guardian may not be charged for the substituted food item(s).

In providing foodservices, all CACFP Providers are recipients of federal financial assistance. Providers *may not discriminate on the basis of disability and shall serve special meals, at no charge, to participants whose disability restricts their diet.* No additional Child Nutrition Programs reimbursement is available for these substitutions.

### **Cooperation**

When implementing meal substitutions Sponsors and their staff should work closely with Providers, as needed, to work with the parent(s), guardian(s) or responsible family member(s) and with all other school, medical and community personnel who are responsible for the health, well-being and education of participants with disabilities or with other special dietary needs to ensure that reasonable accommodations are made to allow such individuals' participation in the meal service.

### **Menu Documentation**

Substitutions to the regularly planned menu must be documented. Sponsors should have a system for ensuring that providers document all meal and snack substitutions.

## **Section F – Special Situations**

### **Meals Eaten at Another Location**

Meals or snacks served at an alternate location (e.g., field trip) provided by the provider and supervised by the provider or provider's staff may be claimed for reimbursement. To be claimed for reimbursement, meals must meet CACFP meal pattern and meal service requirements.

Providers are required to tell the sponsor in advance when planning to be away from home with the



children during the meal service period. Sponsors must have a written procedure identifying how and when the provider is to notify them of planned activities that include a meal to be eaten away from the home. Providers must be trained on the procedure.

Caution must be taken to ensure that potentially hazardous foods are stored and served according to local public health policies.

Unless the sponsor has approved a meal to be served and eaten at another location all meals to be claimed for reimbursement must be prepared and eaten at the provider's day care home.

Meals prepared and purchased outside the provider's day care home (e.g., at grocery stores, restaurants, fast food establishments) may not be claimed for reimbursement.

### **Food Provided by Parents/Guardians**

Parents/guardians may provide up to one meal component and it may be counted as fulfilling meal pattern component requirements in the CACFP. If parents provide an additional food, such as birthday cake, and the provider serves the required components, the meal may be claimed for reimbursement. Such foods should be served after the required components to help ensure that the foods in the CACFP meal pattern are eaten first and the children's nutritional needs are met before additional foods are offered. Parents/guardians cannot be required or coerced to provide any food(s) for their child who is participating in the CACFP.

### **Exceptions to Food Provided by Parents/Guardians**

Parent/guardians cannot be required or coerced to provide any food item. Meals may be claimed for reimbursement when parents/guardians provide a required component in the following instances:

- Parents/guardians may choose to provide one food substitution.
- If a parent provides a non-dairy milk substitute that meets the nutritional standards as outlined in 7 CFR 210.10(m)(3) and that has been approved by the State agency, the provider may serve the non-dairy milk substitute and still claim reimbursement for the meal.

In some situations, infant meals may be reimbursed when the parent/guardian provides some of the required meal components. See [Chapter 11 Infants](#) for more information on infant meals.

### **Meal Substitutions for Religious Reasons**

The CACFP meal pattern can allow for variations to accommodate participants who cannot eat certain foods because of religious reasons. In many cases substitutions to accommodate religious dietary restrictions can be made within existing meal pattern requirements. In those cases, providers may make such adjustments as needed. If religious dietary restrictions need additional accommodation, contact your assigned Child Nutrition Specialist [7 CFR §226.20(h)].

## **Section G – Styles of Meal Service**

For all meal service styles, food components must be served in sufficient amounts to meet minimum portion requirements. All components must be served together either on the table or given to each participant at the beginning of the meal. For example, milk or fruit cannot be served later in the meal than the other components.

Providers may choose one of the following methods of serving CACFP meals:

### **Restaurant Style Meal Service**

In restaurant style meal service (or preset meal service), all food components are portioned and served on the plate and in the cup for each participant. Minimum portion sizes of each required component must be served together to each participant at the beginning of the meal.

### **Family Style Meal Service**

Family style meal service allows participants to eat together and to make food choices based on individual appetites and food preferences. It promotes mealtime as a learning experience to help participants develop positive attitudes toward nutritious foods, share in group eating situations, and develop good eating habits.

Family style meal service operates as follows:

- All required meal components are placed on the table at the same time.
- Adequate amounts of each food item must be placed on the table to provide at least minimum portions for each participant and supervising adult to be served.
- Participants may serve themselves from serving dishes or communal bowls that are on the table.
- Adults supervising the meal help those participants who are not able to serve themselves.
- Participants are allowed to make choices selecting foods and in the size of the serving.
- A supervising adult must be seated at each table to actively encourage participants to take the full required portion of each food component. The supervising adult must offer the food item again later in the meal if participants initially refuse the food or take a very small portion.

Family style meal service can be conducted in a variety of ways. For example, participants may help in preparing for the meal by clearing the table and setting places, sharing conversation during the meal and cleaning up after the meal.

### **Combination Restaurant and Family Style Meal Service**

Some Sponsors find a combination of restaurant style and family style best meets the participants' needs. Combination meal service operates as follows:

- The full minimum required portion of one or more components are served restaurant style to each participant.
- The remaining components are served on the table in communal serving dishes or pitchers adhering to all of the Family Style Meal Service requirements.
- All components must be offered to participants at the same time. For example, it is not acceptable to serve participants the Meat/Meat Alternate and Vegetable or Fruit components and wait for five minutes before setting the Grains/Breads and the Milk components on the table.
- In this meal service style, all the rules governing each service style apply to the foods served using that method. For example, if staff pours milk into glasses, at least the minimum required

amount must be poured for each child and offered when the rest of the meal components are served.

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# CHAPTER 11 INFANTS

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## Section A – Infant Meal Patterns

Infants have unique nutritional and developmental needs, so the CACFP has a separate meal pattern for infants. The USDA defines “infant” for purposes of the CACFP as infants from birth through 11 months of age. Infant feeding requirements apply to participants until the infant’s first birthday.

Providers who have infants in care must offer the benefits of the program to all infants regardless of whether the parents or guardians choose to accept or decline the benefits. The USDA developed the [Feeding Infants in the Child and Adult Care Food Program](#) as a training tool for Sponsors with infants enrolled in care. This guide includes creditable and non-creditable foods in the infant meal pattern.

Providers must distribute all required forms to parents or guardians for their infants and retain all required records whether the provider chooses to claim the infant meals for reimbursement or not.

### **Infant Meal Pattern**

Providers must offer the [infant meal pattern](#) to all infants in care. The specific amount and type of food required for reimbursable meals changes as infants get older. Infants are grouped into two age categories for infant meal pattern purposes:

- Birth through the end of 5 months
- Beginning of the 6<sup>th</sup> month through the end of the 11<sup>th</sup> month

Developmental and nutritional needs of each infant vary. Providers should consult with the parent or guardian about the introduction of solid foods. As a best practice, the provider should obtain in writing from the parent or guardian when the provider should start serving solid foods to their infant. Solid foods must be served when the infant is developmentally ready for them. This typically occurs around 6 months of age. Once the infant is developmentally ready to accept solid foods, the provider is required to offer them to the infant. Since solid foods are introduced gradually and new foods may be introduced one at a time over the course of a few days, an infant’s eating patterns may change. For example, an infant may eat green beans one day and then refuse them the next. Providers must continue to offer a variety of vegetables once the infant is developmentally ready for it. Additionally, solid foods served to infants must be of a texture and consistency that is appropriate for the age and development of the infant being fed.

Reimbursable meals for infants may contain breast milk, approved iron-fortified infant formula or both—supplied by the provider or by the parent. To receive reimbursement for the meal, the provider must always offer the infant a complete reimbursable meal based on the meal pattern requirements for the age of the infant.

Formula or breast milk mixed into infant cereal may not be credited toward meeting the minimum portion size of fluid formula or breast milk required on the meal pattern.

### **Transitional Period**

A one-month period, between 12 and 13 months, is allowed for infants to transition from infant formula to cow’s milk. Meals/snacks containing infant formula served to 12-month-old participants qualify for reimbursement without a *Medical Statement form*. Children over 13 months old who require infant formula for special dietary or medical reasons must have a completed [Medical Statement for Food Substitutions form](#) signed by a licensed physician or a State recognized medical authority on file in order for the provider to claim the meals for reimbursement. A State recognized medical authority for this purpose is a State licensed health care professional, who is authorized to write medical prescriptions under State law.

Participants who are fed breast milk may be served breast milk in place of fluid milk in the meal pattern in any age group in CACFP and the meals are reimbursable.

### **Crediting Solid Foods**

To claim an infant's meal for CACFP reimbursement, the specific foods served must be creditable. Many foods that are allowed in older children's meal patterns are not creditable for infants. Dry infant cereal must be iron fortified and not served by bottle. Commercial infant foods may not combine components. Only plain fruits, vegetables, and meats are creditable infant meal pattern components.

Commercial strained baby food meat products such as beef and beef gravy, chicken and chicken gravy, lamb and lamb gravy, ham and ham gravy, turkey and turkey gravy, and veal and veal gravy are reimbursable even if they contain additional ingredients, such as corn starch and/or broth.

Yogurt and whole eggs are creditable as meal alternates in the infant meal pattern for infants that are developmentally ready to accept them. Egg whites and egg yolks, separated from the whole egg, are not creditable on their own. All yogurts served in the CACFP, including yogurt served to infants, must contain no more than 23 grams of sugar per 6 ounces. Soy yogurt is not creditable for infant meals.

Vegetables and fruits that are cooked, mashed, pureed or small diced as needed to obtain the appropriate texture and consistency are required at breakfast, lunch, supper and snack for infants that are developmentally ready to accept them.

Ready-to-eat breakfast cereals, breads, crackers, and waffles are allowable at snack only for infants that are developmentally ready to accept them. All ready-to-eat cereals served to infants are subject to the same sugar limit as breakfast cereals served to children and adults in the CACFP. Ready-to-eat cereals served to infants must contain no more than 6 grams of sugar per dry ounce.

There is no whole grain requirement for infants. The requirement to serve at least one whole-grain rich food per day is only required for the CACFP children and adult meal patterns.

### **Non-Creditable Foods**

Some examples of non-creditable foods for infants include:

- Home canned infant foods
- Honey
- Muffins
- Doughnuts
- Hot dogs
- Vegetable juice
- Nuts or seeds
- Commercial breaded products (fish sticks, chicken nuggets)
- Cow's milk
- Cheese food and cheese spread
- Tofu
- Soy yogurt
- Fruit juice

### **Meal Times and Service**

Infants do not eat on a strict schedule. Therefore, providers are not required to feed infants at the

traditional meal times scheduled for older children. Infant meals must be served consistent with the infant's eating habits. As long as all the required food components are offered over the course of the day, the meals may be reimbursable.

When the infant has been offered some of the required components of a meal/snack, the rest of the required food components for that meal/snack must be offered over the course of the day. For example, if an infant was breastfed at home right before arriving at the provider, the infant may not be hungry for the breakfast meal, when he/she/they first arrives. The provider may offer the meal to the infant later in the morning when the infant is hungry and still claim it. Additionally, if an infant, who is developmentally ready to eat pureed vegetables, is not hungry for pureed vegetables at lunch, then the pureed vegetables can be offered at another time during the day and the lunch meal may still be claimed for reimbursement.

Some breastfed infants regularly consume less than the required amount of breast milk per feeding. A serving of less than the minimum amount of breast milk may be offered with additional breast milk offered if the infant is still hungry to preserve this valuable food.

Even though infants should be fed "on demand", only the meal types approved for reimbursement on the provider's CNPweb Provider Information Sheet may be claimed for reimbursement. For example, if "PM Snack" is not an approved meal type for a provider, then PM snacks cannot be claimed for reimbursement, even if the infant is fed mid-afternoon. To change the type of meals offered to better fit infant feeding needs, providers must contact their sponsor and request the changes. Sponsors must then update the appropriate Provider Information Sheet(s) in CNPweb and submit them to ODE CNP for approval prior to recording and claiming meals for reimbursement.

### **Infant Menus**

Providers must keep separate menus for infant meals. Because infant diets vary, foods offered must be recorded for each individual infant. The menu must document the infant's name and date of birth, the menu date, the type of meal (breakfast, lunch, or snack), and all actual food items, including formula or breast milk served for each meal or snack. See [Section D- Infant Feeding Record Keeping Requirements](#) of this chapter for more information on infant menu records.

### **Food Substitutions**

Decisions concerning nutrition during the first year of life are for the infant's health care provider and parents or guardians to make together. Modifications or substitutions to the CACFP infant meal pattern are allowed when supported by a completed [Medical Statement for Food Substitutions form](#). The form must be kept on file by the provider.

### **Food Provided for Infants by Parents/Guardians**

Sometimes parents or guardians want to provide specific food(s) for their infant. Infant meals claimed for reimbursement must contain all the required meal pattern components for the age of the infant being served, whether supplied by the parent/guardian or supplied by the provider. Parents or guardians cannot be required or coerced to supply formula or solid foods for their infant who is participating in the CACFP. When the parent or guardian supplies formula or food for their infant, it must be documented on the infant menu record as "PS" for the parent-supplied item(s). See [Section D- Infant Feeding Record Keeping Requirements](#) of this chapter for more information on infant menu record requirements.

The chart "[Is This Infant Meal Reimbursable](#)" describes when meals are reimbursable if parents/guardians provide food for their infant. In all cases, the following rules govern reimbursable infant meals:



- When the parent/guardian provides infant formula, it must be an approved formula unless there is a completed [Medical Statement for Food Substitutions form](#) on file.
- A parent/guardian may choose to directly breastfeed her infant on-site, supply expressed breastmilk or a creditable infant formula, even when the infant is only consuming breastmilk or infant formula.
- When the infant is developmentally ready for solid foods, and the parent/guardian chooses to supply expressed breastmilk or formula or directly breastfeed on site, then the provider must provide all the other required meal components in order for the meal to be reimbursable. Alternately, a parent/guardian may choose to provide one solid food component if the infant is developmentally ready to consume solid foods. In this situation, the provider must supply all other required meal components, including iron-fortified infant formula.

### **Determining Developmental Readiness for Solid Foods**

There is no single, direct signal to determine when an infant is developmentally ready to accept solid foods. An infant's readiness depends on his or her rate of development. Providers should be in constant communication with infants' parents or guardians about when and what solid foods should be served while the infant is in care. As a best practice, USDA's Food and Nutrition Service (FNS) recommends that parents or guardians request in writing when a provider should start serving solid foods to their infant. When talking with parents or guardians about when to serve solid foods to infants in care, the following guidelines from the AAP can help determine if an infant is developmentally ready to begin eating solid foods:

- The infant is able to sit in a high chair, feeding seat, or infant seat with good head control;
- The infant opens his or her mouth when food comes his or her way. He/she/they may watch others eat, reach for food, and seem eager to be fed;
- The infant can move food from a spoon into his or her throat; and
- The infant has doubled his or her weight and weighs about 13 pounds or more.

Allowing solid foods to be served when the infant is developmentally ready (around 6 months of age) better accommodates infants' varying rates of development and allows centers and day care homes to work together with the infant's parents or guardians to determine when solid foods should be served. For more information and best practices on serving solid foods to infants, please see [Feeding Infants in the Child and Adult Care Food Program](#) guide.

## **Section B – Breast Milk**

Breast milk is creditable as part of the CACFP meal pattern. Meals containing parent/guardian provided expressed breastmilk or when the mother directly breastfeeds the infant on-site are reimbursable, including meals when the infant is only consuming breastmilk.

The Academy of Pediatrics (AAP) recommends an optimal storage time of 72 hours for refrigerated expressed breastmilk. Accordingly, the length of time a provider may keep refrigerated bottles of fresh breast milk is 72 hours from the time it was collected. Bottles of expressed breast milk must be stored in a refrigerator kept at 40<sup>o</sup> Fahrenheit or below. This is consistent with recommendations from the AAP and the Centers for Disease Control and Prevention. For additional information on other breast milk handling and storage guidelines please review [Feeding Infants in the Child and Adult Care Food Program](#).

Expressed breast milk provided by the mother should be properly identified and labeled with the infant's name and the date the milk was collected. Breast milk identified for a particular infant should

only be served to that infant. Breast milk should be stored and handled according to applicable state and local laws and regulations governing health and safety standards.

## Section C – Infant Formula

Providers with infants in care must offer to provide at least one, creditable iron-fortified infant formula to infants who are not breastfed, or when a supplement to breastfeeding is needed. The infant formula offered by the provider must be iron-fortified and must meet the definition of an infant formula in section 201(z) of the Federal Food, Drug, and Cosmetic Act [21 U.S.C.321(z)] and meet the requirements for an infant formula under section 412 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 350a) and the regulations at 21 CFR parts 106 and 107. If a formula is purchased outside of the United States, it is likely that the formula is not regulated by the FDA. Infant formulas that are not regulated by the FDA are not creditable in the CACFP. A parent or guardian may decline the offered infant formula and supply another infant formula or breast milk. Providers are not required to offer more than one approved infant formula. The provider must notify parents/guardians of the formula they offer.

Cows' milk in any form (whole, 2%, 1%) may not be served to infants under 1 year old without a completed Medical Statement for Food Substitutions signed by a licensed physician or a State recognized medical authority on file. A State recognized medical authority for this purpose is a State licensed health care professional who is authorized to write medical prescriptions under State law. The medical statement must explain the need for the substitution and must be kept on file by the center in order for the meal to be reimbursable.

### **Creditable Formula**

Creditable formula is either an approved, iron-fortified formula intended for dietary use solely as a food for normal, healthy infants; or a formula that is authorized in writing by a recognized medical authority. Low-iron formulas do not meet CACFP requirements and may be served only when a completed [Medical Statement for Food Substitutions form](#) signed by a licensed physician or a State recognized medical authority is on file for the infant. A State recognized medical authority for this purpose is a State licensed health care professional, who is authorized to write medical prescriptions under state law.

To determine if an infant formula is creditable, refer to the ODE CNP [Approved Infant Formulas webpage](#). Whether the formula is purchased by the provider or supplied by a parent/guardian it must be listed on the USDA webpage or in the list of *Additional Formulas Approved by ODE CNP* to be served as part of a meal to be claimed for reimbursement. If the formula does not appear either place, providers must send a copy of the complete formula label to their Sponsor for a determination on the creditability of the formula for a reimbursable meal. The Sponsor may request approval for a formula not on the *Approved Infant Formulas webpage* by following the steps below:

1. Ensure that the formula is not an FDA Exempt Infant Formula. Please visit the [US FDA List of Exempt Infant Formulas](#).
2. Look for Infant Formula with Iron or a similar statement on the front of the formula package. All iron-fortified infant formulas must have this type of statement on the package.
3. Use the nutrition facts label as a guide to ensure that the formula is iron-fortified. The nutritive values of each formula are listed on the product's nutrition facts label. The FDA defines iron-fortified infant formula as a product which contains 1 milligram or more of iron in a quantity of product that supplies 100 kilocalories when prepared in accordance with label directions for infant consumption. To be considered iron-fortified, an infant formula must have 1 mg of iron or more per 100 calories of formula when prepared in accordance with label directions.

4. Ensure the formula meets the definition of an infant formula in [section 201\(z\) of the Federal Food, Drug, and Cosmetic Act \(21 U.S.C. 321\(z\)\)](#) and meets the requirements for an infant formula under [section 412 of the Federal Food, Drug, and Cosmetic Act \(21 U.S.C. 350a\)](#) and the regulations at [21 CFR parts 106 and 107](#). Requiring an infant formula be compliant with the FDA regulatory standards on infant formula is consistent with the Special Supplemental Nutrition Program for Women, Infants, and Children's (WIC) infant formula requirements and ensures that all infant formulas served in the CACFP meet nutrient specifications and safety requirements. If a formula is purchased outside of the United States, it is likely that the formula is not regulated by the FDA, and therefore, it may not be creditable under the CACFP.

5. Submit the exact name of the formula (including the manufacturer's name) and a copy of the formula nutrition label to your Child Nutrition Specialist.

Providers may be reimbursed for meals and snacks served to infants that contain parent/guardian provided, USDA approved formula as the only required component. This recognizes the non-food related cost of serving infants. See the chart "[Is This Infant Meal Reimbursable](#)" to determine which meals may be claimed in this circumstance.

### **Serving Formula**

Consult with an OCC certifier for questions about food safety and sanitation regulations regarding the serving of infant formula.

### **FDA Exempt Infant Formula**

Formulas classified as Exempt Infant Formulas by FDA may be served as part of a reimbursable meal if the substitution is due to a disability and is supported with a Medical Statement for Participants with Disabilities signed by a licensed physician or a State recognized medical authority. A State recognized medical authority for this purpose is a State licensed health care professional, who is authorized to write medical prescriptions under State law. The statement must be kept on file by the provider.

## **Section D – Infant Feeding Recordkeeping Requirements**

In addition to all other recordkeeping requirements providers have specific recordkeeping requirements for infants. Providers are responsible for collecting and maintaining the following CACFP infant records:

### **Daily Infant Menu Records**

Separate menus must be kept for infant meals. Infant menus must document:

- The infant's name and date of birth
- The menu date (month, day and year)
- The type of meal (breakfast, lunch, or snack)
- All actual food items served
- If food or formula is supplied by the parent/guardian

Expressed breast milk offered to infants must be documented on the infant's menu record as "EB" each time expressed breast milk is offered as part of a reimbursable infant meal or snack.

When the infant is breastfed by mom, the Sponsor may choose to document it on the infant's menu record as "BF". Meals and snacks with only "BF" documented (no other component offered) may not be claimed for reimbursement. There is no requirement for centers to quantify and record the amount of breastmilk a mother directly breastfeeds her infant.

Food and formula supplied by the parent/guardian must be designated on the infant's menu record with "PS" for parent-supplied in addition to the actual food item or formula supplied. For example, if the parent supplies jarred baby food peaches, the infant menu record must document "PS, peaches" for the meal or snack when the item was offered. Staff must designate "PS" every time a required meal pattern component is supplied by the parent/guardian.

Staff may not write "PS" on top of the infant menu to cover meals and snacks provided for the entire day, week or month. The "PS" designation is used to verify that only at least one meal pattern component is supplied by the parent/guardian Center when determining reimbursable meals. If "PS" is not documented on the infant menu, ODE CNP will assume the food or formula was supplied by the Center.

### **Daily Meal Count Records**

Because infants eat "on demand", infant meals must be recorded using a system that ensures only infants who receive a reimbursable meal are counted in the daily meal count.

## **Section F - Monitoring**

The American Academy of Pediatrics (AAP) recommends introducing solid foods to infants around six months of age. In addition, the AAP recommends that by 7 or 8 months of age, infants should be consuming solid foods from all food groups (vegetables, fruits, grains, protein foods, and dairy). However, it is important to keep in mind that infants develop at different rates. Not all infants will be eating solid foods at 6 months of age, nor will all infants be eating solid foods from each food group by 7 or 8 months of age. Monitors should engage in a conversation with the center staff to learn more about the infant's eating habits and ensure that the meal being served is appropriate for that infant's developmental readiness.

If during a site monitoring review, the monitor observes an older infant (8 months or more) not being served solid foods, what is the best practice? The monitor should speak with the day care staff to understand why the infant is not being served solid foods. If an 8 month old infant is not developmentally ready for solid foods and the center is serving the required minimum serving size for breastmilk or infant formula for the 6 through 11 month old age group, the meal is reimbursable. Monitors can remind center staff to work with each infant's parents or guardians to determine when and what solid foods should be served to the infant while he/she/they is in care.

If a day care staff believes that an infant is developmentally ready to start eating solid foods, they should engage in a conversation with the infant's parents or guardians. The center staff can tell the parent/guardian about the signs they have seen indicating the infant is ready to start solid foods and ask if they would like solid foods to be served while the infant is in day care. Child care providers should be in constant communication with the infant's parents/guardians about the infant's eating habits as well as when and what solid foods should be served while the infant is in their care.

If the parent/guardian does not want their infant to be served solid foods while the infant is in care, the center should respect that decision and should not serve the infant solid foods. In this situation, as

long as the center continues to serve the infant the required amount of breastmilk or iron-fortified infant formula, then the meals are still reimbursable. It is best practice for the provider to talk with parents and work together for a timeline to start solid foods.

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# CHAPTER 12 TRAINING

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Training is essential to the successful operation of the CACFP. Program regulations specify the training that ODE CNP is required to provide to all sponsoring organizations. In turn, this training provides all sponsors with the tools and resources to deliver the training required by regulations to all sponsored Family Day Care Home Providers.

## Section A – Training Requirements—ODE CNP

Federal regulations require the ODE CNP to provide training and technical assistance to CACFP sponsors. ODE CNP provides annual training for current sponsors and training for new sponsors and new staff.

### **ODE CNP New Sponsor Training**

Organizations applying to become a sponsor of Family Day Care Homes are required to complete New Sponsor Training. Staff designated in CNPweb as the Food Program Coordinator, the Authorized Representative, and Financial Office Contact must participate in the ODE CNP-sponsored CACFP New FDCH Sponsor Training. New FDCH Sponsor Training is led by ODE CNP staff and is conducted on a one-on-one basis via webinar. New Sponsor training includes budget and financial management, policy and procedures, program requirements, and provider recruitment and requirements.

### **ODE CNP CACFP Annual Training for Sponsors**

Each year the sponsoring organization staff designated in CNPweb as the Food Program Coordinator, the Authorized Representative, Financial Office Contact, some or all, must participate in the ODE CNP-sponsored CACFP Annual Training. ODE CNP notifies sponsoring organizations of the dates and requirements for the mandatory Annual Training and provides registration information. Annual Training includes changes in policy and procedures, provides program updates, and focuses training on administrative review findings from the current fiscal year.

## Section B – Training Requirements--Sponsoring Organizations

CACFP sponsoring organizations are required to provide and document:

- Annual staff training
- New staff training
- Training for Providers and Provider staff

### **Sponsoring Organizations' Annual Staff Training**

Sponsoring organization staff designated in CNPweb as the Food Program Coordinator, the Authorized Representative, or both are responsible for providing annual CACFP training to all staff with assigned Program duties.

Sponsoring organization staff who must be trained annually include:

- Administrative staff who are assigned CACFP duties
- Monitors who perform Family Day Care Home CACFP Reviews
- Clerical staff who are assigned CACFP duties
- Financial officers who are assigned CACFP duties
- All staff who have direct contact with Providers and Parent/Guardians regarding the CACFP



- All other staff who have assigned CACFP duties

To determine staff training needs, sponsoring organizations should: review past training documentation; assess performance of all staff assigned Program duties; and, read recent [ODE CNP memoranda](#) and correspondence. Minimum training requirements for staff assigned CACFP duties must include all information appropriate to each assigned task. Sponsors may use all training sessions and other training tools posted on the [CACFP Training Resources webpage](#) to assist them with their internal CACFP training. Contact ODE CNP for more information.

Annual internal staff training is a *minimum* requirement. ODE CNP encourages sponsors to train staff more frequently or on an ongoing basis.

Additionally, ODE CNP periodically issues new or revised policy through memoranda and revisions to this manual that may require sponsoring organizations to provide training to staff during the fiscal year.

To provide adequate back-up, ODE CNP recommends that more than one staff person should be thoroughly trained in each CACFP function.

### **Training Sponsor's New Staff**

All sponsoring organizations must have a procedure for training newly hired staff on the CACFP requirements for their assigned CACFP duties. This training should be done as soon after the employee is hired as necessary to ensure program integrity.

### **Provider Training**

Training is absolutely vital if the CACFP is to operate properly. Each sponsor must thoroughly train providers on all CACFP duties and responsibilities before the provider begins CACFP operations. This training stresses food service procedures and recordkeeping requirements.

Only those providers who understand Program rules and requirements will be able to operate the CACFP effectively [7 CFR §226.16(d)(2)].

### **New Providers**

All new Providers must be trained on their responsibilities for participation in the CACFP prior to being approved. Topics include, but are not limited to:

- Required documentation
- Record maintenance requirements
- Meal pattern requirements, including portion sizes, for the ages of the participants in care
- Menu planning and menu records
- Menu planning best practices to meet the Dietary Guidelines for Americans
- Meal preparation
- Meal counting and claiming
- Meal service styles
- Food safety and sanitation
- Accommodating children with special needs
- Civil Rights
- Sponsoring organization policies and procedures with regard to the Provider's participation in the CACFP

- All other topics that the sponsoring organization determines are required prior to beginning participation in the CACFP
- For Providers with infants in care:
  - a. Infant Benefit Notification and Acknowledgement form
  - b. Infant meal pattern requirements
  - c. Infant menu records
  - d. Creditable and non-creditable infant foods

## **Renewing Providers**

Sponsors must provide training on the CACFP at least annually for all providers to review current CACFP requirements. Specific training requirements, including the content of the provider training and the number of required training hours will be determined by the sponsor based on evaluation of provider needs identified in Home Reviews, revisions to sponsor policies and any requirements identified by ODE CNP [7 CFR §226.16(d)(3)].

Annual training for providers is a *minimum* requirement. ODE CNP encourages sponsors to train providers more frequently or on an ongoing basis.

Additionally, ODE CNP periodically issues new or revised policy through memoranda and revisions to this manual that may require sponsoring organizations to provide additional training to providers during the year.

The training may be presented to either single providers or a group of providers and done in-person or online.

### **Training Documentation for Sponsoring Organization Staff and Providers**

All training must be documented with the following:

- Training date (month, day and year)
- Time (start and end)
- Location of training
- Full name of the trainer(s)
- Training topic(s) covered
- Name, position and signature of those in attendance
- Training material(s) used

Training documentation must be maintained on file for three years plus the current fiscal year.

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# CHAPTER 13 MONITORING

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Effective monitoring is necessary for many reasons. Monitoring ensures that homes operate according to CACFP guidelines and that accurate records are available to justify reimbursement for properly served meals. Just as important, monitoring ensures that children are receiving nutritious meals. To be an effective, monitors are required to spend enough time at each home to review the CACFP operations. It is important that monitors are trained and know the CACFP requirements so they can accurately identify problems and recommend effective solutions.

Sponsors also provide management guidance and oversee providers through a monitoring system. Sponsors are required to monitor all homes under their sponsorship because they have the responsibility to ensure that providers serve nutritious meals that meet the CACFP meal patterns and are in compliance with the regulations and policies of the CACFP and the sponsor. Sponsors must develop policies, procedures and all necessary forms for documentation of Family Day Care Provider Monitoring Reviews. The monitoring documents may be in either hard copy or electronic format. All record maintenance requirements apply to either format.

Sponsors rely on monitors to provide a first-hand accounting of the providers that they sponsor. Monitors are an important link between the sponsor and the provider. As the sponsor's representative, they develop and maintain open communications and cooperative relationships with providers and any staff the provider might employ, while at the same time identifying any areas of noncompliance. Monitors will work with the providers to help correct any problems and give additional training, or technical assistance, as necessary.

Open communication between the monitor and the sponsor is important so that the sponsor knows of any problems and what is being done to correct them. This communication will also provide opportunities for the sponsor to provide additional guidance the monitor may need. The sponsor is financially responsible for any meals served incorrectly or served to ineligible children. This responsibility could result in the sponsor losing a large amount of money, or even termination from the CACFP, if problems are not corrected, making it even more important that problems be properly identified and corrected.

As the sponsor's representative the monitor will want to ensure they provide quality customer service to the providers during Family Day Care Home Provider Home Reviews. Monitors should be friendly and courteous during the review while at the same time remembering a Provider Home Review is not a social visit. Monitors are in a professional relationship, conducting a review of CACFP operations to monitor the provider's compliance with CACFP requirements.

Information in this chapter is from the [Family Day Care Homes Monitoring Handbook- A Child and Adult Care Food Program Handbook](#). This handbook was created by USDA Food and Nutrition Services. Refer to this handbook for additional information.

## Section A—Monitor Responsibilities and Training

### **Responsibilities**

As an official representative of the sponsor, monitors are responsible for:

- Planning and preparing for assigned Provider Home Reviews
- Assessing whether the provider has corrected problems noted in previous review reports
- Ensuring that providers maintain required documentation and records, including:
  - a. Documentation of OCC registration or certification, DHS listing, or both
  - b. The number of meals served, by type (e.g. Meal Count documentation)

- c. Menus
  - d. Meal pattern documentation
  - e. Attendance records
  - f. Complete and current enrollment forms
- Reconciling any discrepancies in meal counts and attendance or enrollment records
  - Conducting a reconciliation of the home's meal counts with enrollment and attendance records for a five-day period
  - Assigning corrective action for problems encountered
  - Informing the sponsor about problems found in homes
  - Ensuring that corrective action is completed and documented
  - Preparing complete reports of reviews and ensuring that copies of the reports are included in an official file for each home
  - Providing technical assistance and conducting training, as necessary, and ensuring that the provider has attended required training
  - Ensure that all technical assistance and training provided to providers is documented
  - Ensuring compliance with basic health and safety requirements and immediately reporting to the appropriate authority any serious problems observed
  - Ensuring compliance with child/staff ratio requirements and immediately reporting to the appropriate authority any violations observed
  - Revisiting homes to conduct follow-up reviews as necessary
  - Ensuring that the meals claimed are served to enrolled children regardless of race, color, national origin, age, sex, or disability [7 CFR §226.16(d)(4)]

### **Annual Training for Monitors**

Sponsors are required to hold annual training sessions on Program duties for monitors and other sponsor personnel [7 CFR §226.15(e)(14)]. The topics covered may change depending on the needs of the sponsor, but the training will probably include information on the following areas:

- CACFP requirements for participating Providers
- Monitor duties and responsibilities
- Monitor review forms and other records required by the sponsor, such as mileage records
- Provider eligibility requirements
- Civil rights compliance and enforcement
- How to monitor meal counts, conduct five-day reconciliations, and other review requirements
- How to schedule reviews and how monitors are assigned to facilities

## Section B—Frequency and Types of Reviews

Providers must be reviewed onsite at least three times per year. Even if sponsors review a provider's records from the office, sponsors still have to visit the home. Two of the three annual reviews must be unannounced, and must be conducted during the home's regular hours of day care operation. No more than six months may pass between reviews. An attempted review, such as when a provider is not home, does not count toward one of the three required reviews [7 CFR §226.16(d)(4)(iii)].

The timing of unannounced reviews must be varied and they may not follow a consistent, predictable pattern. For example, unannounced reviews for a particular home would not be varied and unpredictable if the provider knows that the monitor always comes during the third week of January, the third week of May, and the third week of September, or the monitor never comes during the first week of the month because the sponsor staff is busy processing claims. Monitors are less likely to uncover problems and issues if providers can guess when their unannounced reviews are likely to occur.

If a provider is approved to serve weekend, evening, or holiday meals the sponsor must monitor a "roughly proportional" number of those meal services. Sponsors that have limitations to the extent to which they can meet Program oversight requirements should not accept facilities that exceed their management capabilities.

Monitors are not necessarily required to be in the facility for the entire meal service period. If the monitor has completed all of the necessary review elements, the monitor may leave. If the monitor has come to review a home at a scheduled meal time and no one is present, the monitor can either:

- wait for the entire meal service time to verify that the provider is missing the meal service, or
- conduct a review at another nearby home and return before the end of the meal service, either to conduct the review or to verify that the provider missed the meal service.

Reviews do not have to be exactly proportional to the percentage of all meal services being claimed, but should be roughly proportional to the percentage of each type of meal being claimed by its facilities overall. The requirement to oversee "all meal services being claimed" does not require a sponsor to annually conduct reviews of each of the meal services being claimed at each facility. As long as, in the total of all reviews it conducts for its sponsorship, the sponsor provides roughly proportional oversight of all types of meal services being claimed, the sponsor has met its responsibilities under 7 CFR §226.16(d).

In addition to conducting facility reviews, a sponsor might also provide oversight by conducting household contacts in facilities serving breakfasts, suppers, or weekend meals, in order to have parents verify their children's attendance at these meal services.

### **Pre-approval Visits**

Sponsors must make pre-approval visits to homes that wish to participate in the CACFP. During the pre-approval visit, the monitor must discuss Program benefits and requirements and make sure that the provider is capable of providing the proposed food service [7 CFR §226.16(d)(1)].

### **New Providers**

Providers that are new to CACFP must be reviewed at least once during the first four weeks of Program operations. During this review, monitors should go over the primary Program topics such as meal counts, recordkeeping, and the meal pattern requirements. This discussion helps lessen the possibility of critical errors that could result in meal disallowances [7 CFR §226.16(d)(4)(iii)(C)].

## **Meal Service Review**

At least one of the unannounced reviews must include observation of a meal service (this is in addition to the completion of all review elements required by 7 CFR §226.16(d)(4)(i). Monitors need to make sure that the children are being fed nutritious meals in clean surroundings [7 CFR §226.16(d)(4)(iii)(B)].

During a meal service review, monitors should make sure:

- The food served matches the provider's menu
- The meal meets the CACFP meal pattern requirements (see Chapter 10 Meal Service Requirements)
- Any substitutions – foods that are not included on the original menu – are documented by the provider
- Portion sizes are appropriate for the age of the children
- The meal service begins and ends at the correct time
- Note whether or not the meals were prepared within the health and safety standards required by the sponsor, ODE CNP and local or State health authorities

If the monitor does not observe an actual meal service, the monitor should note the meal and the meal items the provider states were served.

## **Follow-up Review**

If a provider is not following the Program rules, the monitor will cite this as a finding in the Provider Home Review Report. If, for example, a provider is not serving enough food, records are not up to date, or the meals served do not match the menus, a finding should be documented.

Not all findings are the same. Some will be more serious and will require the monitor to declare the provider seriously deficiency (see Chapter 15 Provider Serious Deficiencies & Suspensions).

A corrective action plan is a written response by the provider that says how a finding(s) will be corrected. When a monitor has documented a finding the provider is required to take corrective action that will describe how the finding will be corrected and within what timeframe. The monitor should make sure the provider understands what needs to be corrected to properly continue with the Program.

Follow-up reviews may be conducted to make sure that any problems found during a previous review have been fully and permanently corrected. In the case of a finding that rises to the level of a serious deficiency, the follow-up review must be unannounced. Some deficiencies require a shorter return time to do a follow-up review than others and may require more than one visit. Usually, the monitor will revisit a provider within a month to make sure the serious deficiencies have been corrected. If full and permanent corrections have not been made, the monitor must document the repeat violation and the provider may not be able to stay on the Program [7 CFR §226.16(d)(4)(v)].

Monitors also will have to follow through with any other actions, like disallowing meals, if necessary.



## Section C—Review Process

During Provider Home Reviews, the monitor must:

- Check whether past problems noted on previous reviews have been fully and permanently corrected
- Complete a five-day reconciliation
- Complete an assessment of the home’s compliance with required review elements

### **Pre-review Preparation**

Monitors can use the pre-review preparation to begin—and in some cases complete—portions of the review of each required element. This time allows identification of any elements that might need extra attention during the onsite review.

Review preparation should include:

- Checking the provider’s records to see what is in the sponsor’s file for the home
- Reading previous Provider Home Review Reports, noting any problems documented during the last review
- Researching as many of the required review elements as possible by reviewing the provider’s documentation on file with the sponsor. Look for possible inconsistencies. For example, if the provider always claims five meals, but there are only three children present during the review, the provider should be asked about it.

## Section D – Review Elements

### **Required Notices**

ODE CNP requires providers to tell parents/guardians of children enrolled in CACFP facilities about the Program and its benefits [7 CFR §226.18(b)(16)] by distributing the *Building for the Future* brochure.

Monitors must make sure that providers have the brochure and are giving it to parents/guardians at enrollment.

### **Recordkeeping**

For all reviews, providers are expected to have their CACFP paperwork up to date and readily available (see Chapter 6 Program Operations). Although the sponsor may keep copies of the records, monitors must make sure that each provider keeps the following original documentation onsite:

- Documentation of current OCC registration or certification; DHS listing; or, both if they have both
- Menu records—complete through the last previous day of operation at the time of review
- Each child’s enrollment form—complete and on file for all children claimed on meal count records
- Daily attendance records—accurate in/out times, recorded at the time children arrive and leave
- Daily meal count records—complete through the last previous day of operation at the time of review

These records support actual claims, and must be kept for three years plus the current fiscal year. . Records can be kept in hard copy or electronic format, provided that they are readily available.

Providers may store the second and third past year records off-site, such as in storage, but they must be in the provider's control and the provider has to be able to get to them within a reasonable amount of time. Providers must keep records relating to the last 12 months plus the current month (for a total of 13 months) in their homes for review.

### **Provider Classification**

The monitor will review that the provider's tier status for claiming meals for reimbursement is current and all required documentation is on file. All Tier 2 providers should be reviewed to the most current area eligibility or census data issued by ODE CNP to determine whether they may be eligible to apply for Tier 1 status (see Chapter 4 Tiering).

### **OCC or DHS Eligibility**

Monitors must make sure that the providers' required OCC registration or certification or DHS listing is current and that participation does not exceed the maximum allowable capacity.

If a provider's registration, certification or listing has expired and the provider is in the process of renewing it, the meals between the registration/certification/listing expiration date and the date of the new registration/certification/listing will be allowed [7 CFR §226.6(d)(1)(ii)].

Monitors must verify that there is no information from OCC or DHS that the registration/certification/listing will not be renewed. OCC information can be verified on-line through the [Child Care Regulatory Information System](#) (CCRIS). DHS information is distributed by DHS to sponsors via email.

If a provider has more children in care than is allowed by the home's registration/certification/listing, the home is over its capacity. If the provider served meals with the intent to claim all of them for reimbursement, the difference in meals served and the authorized capacity will be disallowed. In this situation, the sponsor may initiate the serious deficiency process (see [Chapter 15 Provider Serious Deficiencies & Suspensions](#)). In addition, the sponsor must notify OCC if a monitor reviews a home that is overcapacity.

### **Health and Safety**

Sponsors must ensure that staff assigned monitoring duties have been trained on and are familiar with the health and safety standards providers are required to follow in Oregon. Although it is a basic responsibility of each provider to ensure meals are being safely prepared, it is the sponsor's responsibility to monitor whether the correct steps are taken to make sure that foods are safe for children to eat. For example, utensils, counters, appliances, and the eating area should be clean, providers should wash their hands before they prepare the food, and there should be a place for trash [7 CFR §226.20(l)].

Additionally, monitors may see a situation that, because of the provider's behavior or the surroundings, poses a threat to the health or safety of participating children or to the public. CACFP regulations require sponsors and their staff assigned monitoring duties to notify appropriate licensing or health authorities of conduct or conditions that pose an imminent threat to the health or safety of participants or to the public.  
(see [Section E Health and Safety Requirements](#)).

Examples of provider behavior that could be an imminent threat to the health or safety of a child could include leaving children unattended or inflicting physical punishment. Examples of surroundings that can endanger safety include child play areas with easy access to busy streets or aggressive animals in the children's area.

In both cases, monitors would document a finding. Additionally, monitors should immediately inform the sponsor of the situation so that the sponsor can determine whether additional steps must be taken.

### **Five-day Reconciliation**

Monitors will have to complete a five-day reconciliation during each of the three required annual reviews. Five-day reconciliations compare meal counts to attendance *and* enrollment records [7 CFR §226.16(d)(4)(ii)].

For Providers, the reconciliation is by the child. The initial step in conducting a five-day reconciliation is to determine whether the enrollment information and attendance records are current and accurate. When conducting the five-day reconciliation, the monitor will review five operating days in a row during the current and/or last claiming period. The monitor can review earlier months if necessary, such as if the provider was closed for vacation, or if there is a pattern the monitor is trying to establish. If the provider claims meals for weekends and/or holidays, these count as operating days and must be included when reviewing five days in a row.

The goal is to determine whether the meal counts are accurate by comparing them to the daily attendance for all meal types for the selected five-day operating period. If there are inconsistencies reflected by the comparison of enrollment to attendance to meal counts, then meals should be disallowed. For example, if there is no enrollment record for a child, then meals claimed for that child should be disallowed. Or, if on day one the attendance is six, but the meal court is ten, then four meals should be disallowed.

If there is an unusual pattern and/or significant difference between the attendance on the day of the review and past meal counts, the monitor will have to determine if there is a valid reason for the difference and if any meal disallowances are necessary. Meals must be disallowed in all situations where the provider was overcapacity.

### **Household Contact Requirements**

Per federal regulation, 7 CFR 226.6(m)(5), the ODE CNP is required to establish policy and procedures for sponsors to use in making household contacts as part of their review and oversight of participating homes [7 CFR §226.16(d)(5)]. The purpose of the household contacts is to verify the enrollment and attendance of participating children. The policy must specify the circumstances under which household contacts will be made, as well as the procedures for conducting household contacts.

ODE CNP will verify the sponsor is following this policy during administrative reviews ([See Chapter 16 Audits, Administrative Reviews and Serious Deficiencies](#)).

Additionally, there are some findings that will require the monitor to contact members of a child's family (usually after the home review) to verify with the parent/guardian the attendance and enrollment of the child and the specific meal service(s) that the child routinely receives while in care.

Household contacts can verify that a provider's attendance and meal records are accurate and help explain problems in recordkeeping and other situations that might cause the sponsor or monitor to question a claim.

When the monitor is onsite they should ensure that they have accurate household contact information in the event they need to contact a family.

### **ODE CNP Household Contact Policy**

#### **Annual Requirement:**

Provider sponsors are required to survey households from at least 5% of the participating providers each Federal fiscal year.

To determine the number of surveys, Provider sponsors will calculate 5% of the number of homes upon which the administrative budget for the fiscal year is based. Example: if the FY 2021 budget is based on 100 homes, ODE CNP requires that at least 5 homes are surveyed. The number of surveys may exceed 5% if more providers meet the selection criteria in this policy.

#### **Selection Criteria:**

Sponsors must conduct household contacts when:

1. During a provider review:
  - Substantially fewer children are present on the review day than are regularly claimed without good reason (flu epidemic, field trip, etc.).
  - Parent-signed attendance records, infant benefit forms, or enrollment forms appear unauthentic.
  - Records (meal counts, attendance, etc.) were completed in advance.
  - A specific meal is always claimed by the provider; however, the provider is not serving that specific meal when the sponsor conducts the review. Example: a provider always serves supper at 5:30 PM on Saturday, but when the sponsor conducts a review at 5:30 PM on Saturday, the provider is not serving a meal or planning to serve a meal.
  - Other record keeping discrepancies found by the sponsor or monitor during the review.
2. The sponsor receives a whistleblower complaint regarding provider integrity.
3. The provider reimbursement claim in any given month exceeds:
  - Registered Providers - \$1,200.00
  - Certified Providers - \$1,500.00
  - DHS-Listed providers that are not OCC registered or certified homes - \$400.00
4. The sponsor questions the validity of a provider's reimbursement claim.

#### **Optional Criteria:**

In addition to the above-listed requirements, Provider sponsors may make household contacts:

- Due to other circumstances deemed necessary by the sponsor
- Using a random selection methodology

## Procedure:

1. Sponsors are responsible for developing their own survey tool. The tool must identify the name and contact information of the sponsor and ask parents to provide information regarding such items as:
  - Parent name
  - Telephone number
  - Address
  - Email
  - Child(ren)'s name
  - What days and hours the child(ren) are/were in care
  - Which meals the child(ren) eat/ate while at the provider's home

Other information may include verifying that the child(ren) is/are still attending the home or verifying the child(ren)'s birth date. The tool may be tailored to the specific issue the sponsor has identified.

2. The sponsor may obtain the information via telephone, mail, fax or email. If obtained via telephone the sponsor staff must complete the entire form, date, and sign. If the information is initially obtained via telephone, it is also recommended the form be mailed to the parent for verification. If mailed, the parent completes the form and returns it to the sponsor. When a written contact is not successful, follow up contact by phone must be completed.
3. Maintain documentation of household contacts.

## Follow-up:

1. If strong evidence from household contacts validates the complaint or review concerns, the sponsor will disallow meals and commence the Serious Deficiency process, if required (See [Chapter 15 Provider Serious Deficiencies & Suspensions](#)).
2. If a sponsor finds the household contact surveys support a claim over the exceeded monthly amount for type of provider, the sponsor must document this information. The sponsor is not required to conduct another survey of this provider for 12 months for reasons of a high value claim. If another reason (e.g. unauthentic signatures) arises, the Provider sponsor would be required to contact households to conduct another survey.
3. If evidence from the household contacts does not validate a complaint or review concerns, the sponsor is not required to take action. However, if other problems are revealed, the sponsor is required to follow-up with those problems appropriately, via technical assistance or the Serious Deficiency process (See [Chapter 15 Provider Serious Deficiencies & Suspensions](#)).

## **Training**

Monitors will document in the review paperwork the date of the provider's last training and the due date for the next training. Sponsors should use the reviews as a way to identify the provider's needs for training on the CACFP. Monitors must ensure providers understand all of the requirements, inform them about any updates and changes in the CACFP, and ask if they are interested in a particular training or if they would like additional materials either for themselves or for the parents/guardians (See [Chapter 12 Section B – Training Requirements--Sponsoring Organizations](#)).

## Section E – Health and Safety Requirements

CACFP regulations require sponsors and their staff assigned monitoring duties to notify appropriate licensing or health authorities of conduct or conditions that pose an imminent threat to the health or safety of participants or to the public. This section provides guidance to help sponsors detect and report the types of problems that rise to this higher level of concern.

It is important to remember that the provider's main priority is to protect the health and safety of those in care. CACFP sponsors and their staff assigned monitoring duties must exercise judgment in making a determination of an imminent threat. ODE CNP encourages sponsors to establish written standards to help all staff measure the severity of a health or safety threat and procedures to follow when a determination of imminent threat has been made.

Training for all staff on this topic is recommended, as well.

The two companion resources below provide sponsors additional guidance on managing, reporting, and documenting incidents of imminent threat:

- [Caring for our Children](#)
- [Stepping Stones to Caring for Our Children](#)

These resources recommend that sponsors have written plans for reporting, managing, and training staff on what may be determined to be incidents that threaten the health, safety, or welfare of children, staff, or volunteers.

If a sponsor staff member determines that a participant is in imminent danger, the staff member must call the proper authorities immediately and stay at the site until authorities have arrived.

Sponsor staff must understand that their response to imminent threats to the health and safety of participants in the CACFP should be applied consistently and fairly. The health and safety of those in care must be the overarching goal. Wherever there is a situation in CACFP involving a health or safety threat, ODE CNP expects sponsor staff to respond to the problem when they see it. This does not mean, however, that every licensing violation is an imminent threat to health and safety, or that State agencies may require CACFP sponsors to monitor for licensing agencies.

If State or local health or licensing officials cite a provider for serious health or safety violations, the sponsor must take action when it learns of the concerns, even though the licensing agency has not yet taken formal action to revoke the provider's licensure or approval (See [Chapter 15 Provider Serious Deficiencies and Suspensions](#)).

## Section F – Monitoring the Meal Service

Providers must keep daily records of menus, meal counts, and attendance to support meals claimed for reimbursement. Monitors must review these records during the home review.

### **Meal Pattern**

Only meals that meet meal pattern requirements and are served to enrolled children may be claimed for reimbursement [7 CFR §226.20]. The monitor will check meals at homes to make sure that the meal pattern requirements are being met. Monitors must make sure that meals served at the sponsored providers meet the meal pattern requirements (see Chapter 10 Meal Service Requirements).



Monitors must compare the menus of the meals to be served with the meal pattern requirements to evaluate for meal deficiencies. When conducting a home review during a meal service, monitors make sure the provider is serving meals that are age appropriate (for example, foods that are not too spicy or hard to chew/swallow for young children), is providing all of the required components, the components are all served at the same time, and the portion sizes meet minimum meal pattern requirements for the ages of the children being served.

If meals are incomplete or if portions are too small, children are not getting a nutritious meal. When a monitor determines that meals do not meet Program requirements, those meals must be disallowed.

Some providers will use cycle menus, which are menus that are repeated on a recurring basis, such as every four weeks. Providers are allowed to use cycle menus but monitors should make sure that the same foods are not served over and over within a cycle.

Providers are allowed to complete their meal counts at the end of the day. However, if a provider chooses to record meal counts at the point of service or is required to do so as a corrective action, note whether or not they are being counted accurately.

**There are no “grace periods” in CACFP.** Providers claiming CACFP reimbursement must comply with all Program requirements, including meal pattern requirements, as soon as they start participating in the CACFP. CACFP regulations do not provide for claiming grace periods to new (or existing) homes that fail to serve reimbursable meals or are not meeting other program requirements. Although errors, such as serving meals with missing components, may not rise to the level of a serious deficiency, the ineligible meals must always be disallowed.

### **Infant requirements (0-11 months)**

Infants who are enrolled for child care must have access to CACFP meals. To receive reimbursement, the caregiver must always offer a complete developmentally appropriate meal [7 CFR §226.20(b)(5)].

Only meals that meet infant meal pattern requirements and are served to enrolled infants may be claimed for reimbursement [7 CFR §226.20]. The monitor will check meals and infant menu records at homes to make sure that the meal pattern requirements are being met. Monitors must make sure that meals served at the sponsored providers meet the meal pattern requirements (See [Chapter 11 Infants](#)). Any meals or snacks that do not meet meal pattern requirements must be disallowed.

***All infant meals must be served by the provider to qualify as a reimbursable meal***

### **Service Styles**

The two meal service styles that can be used in CACFP are restaurant style and family style. Restaurant means that the minimal requirement (or more) of food for each required component is prepared by an adult and given to each child on a plate or tray.

During the review, the monitor must ensure that minimum portions (or more) of each required component for all children are available for the children. If minimum portions are not served or available to each child, the meals would be disallowed.



## **Meal Limitations**

A maximum of two meals and one snack or two snacks and one meal may be reimbursed per child, per day. Three full meals (breakfast, lunch, and supper) may not be claimed for reimbursement for the same child on a given day [7 CFR §226.18(c)].

During the Home Review the monitor will verify that the meal and snack types that are approved for the provider in CNPweb are correct. Any changes requested by the provider must be approved in CNPweb before they may be claimed for reimbursement.

Any meals or snacks claimed by the provider that have not been approved in CNPweb must be disallowed.

## **Substitutions**

Providers must be trained on how and when they may, or must, make food substitutions to the planned menu. Substitutions must be documented on menus when the provider decides to make the substitution [7 CFR §226.20(h)] (See [Chapter 10 Section D Exceptions to the Meal Pattern & Medical Statements](#)).

As part of the home review, monitors make sure appropriate documentation for all substitutions is on file and all substitutions are documented on the appropriate menu records.

Monitors will document all meal substitutions being made by the provider on the home review report. Monitors will disallow meals if:

- The provider does not have a completed medical statement on file, if required
- The substitution was made incorrectly and the meal does not meet meal pattern requirements
- The substitution was not documented on the menu record

## **Milk**

Monitors must verify and document that the provider is serving milk per the meal pattern requirements. With the exception of snack, fluid milk must be served at every meal.

Meals (and snacks if milk is included as one of the two required components) that do not include the required amount of milk, do not include milk at all, or include 2 percent or whole milk for children 2-years-old or over must be disallowed.

If the provider is making substitutions for milk for any enrolled child, the monitor will verify that the provider has the required documentation on file (see Substitutions above). If the required documentation is not on file, the substitutions have not been documented on the menu record, or both, the meals (and snacks if milk is listed as one of the two required components) must be disallowed.

## **Water**

Throughout the day, including at meal times, water should be made available to children to drink upon their request, but it does not have to be available for children to self-serve (See [Chapter 10 Section A Water Availability](#)).

Although drinking water must be made available to children during meal times, it is not part of the reimbursable meal and may not be served instead of fluid milk. Monitors should make sure providers

do not serve young children too much water before and during meal times because it can reduce the amount of food and milk consumed by the children.

During the home review, monitors should encourage providers to serve water with snacks when no other beverage is being served, and instead of other high calorie, sweetened beverages (juice drinks, soda, sports drinks, etc.) that are served outside of meal times.

If the monitor finds that drinking water is not available to children, this would result in a finding.

### **Meals Times**

In addition to making sure that meals served meet the meal pattern requirements, monitors must be aware of any time restrictions (how long meals may last and the time that has to elapse between meals) for the meal service established by ODE CNP [7 CFR §226.20(k)].

The monitor will provide technical assistance on meal times and sponsor requirements on notification for approval of changes, if necessary. The monitor will ensure that any changes to meal service times are updated in CNPweb as soon as possible following the review. The monitor will follow sponsor policies regarding their procedure for entering revision into CNPweb.

During the home review the monitor will verify that:

- Only meals types approved for the provider in CNPweb were claimed for reimbursement
- Infant meals recorded on the infant menu records are complete and claimed appropriately based on the times recorded and the meal types approved for the provider (see Chapter 11 Infants)
- Meals eaten at another location had the required prior approval and are documented correctly on the menu records

Meals and snacks served outside the approved times during the home review must be disallowed.

Foods that are served during “field trips” are reimbursable if they meet meal pattern requirements. However, providers are required to tell the sponsor in advance when planning to be away from home with the children during the meal service period. This requirement helps you plan your unannounced reviews in the most effective manner possible. If a provider does not tell the sponsor/monitor that they will not be home and an unannounced review is made during a scheduled meal time, meals claimed during the unannounced review must be disallowed.

### **Meals that MAY NOT be Claimed**

Meals that may not be claimed for reimbursement are:

- Meals served to any child who is not enrolled for care in the home
- Meals served in excess of the home’s OCC registered or certified
- Meal types not approved in CNPweb for the provider
- Meals served that are in excess of two meals and a snack (or one meal and two snacks) claimed daily for each enrolled child
- Meals that do not meet the meal pattern requirements
- Meals claimed that are not supported by attendance, meal count, and menu records
- Meals served outside of approved meal time
- Meals served to the provider’s own children unless they have been determined to be income eligible
- Meals served to the provider’s own children when no other enrolled children are participating

The monitor must document all review findings and determine the corrective action necessary for the provider to demonstrate that they have fully and permanently corrected any review findings.

The monitor will review the Home Review along with any findings and the required corrective actions.

Some findings may be corrected during the Home Review through technical assistance, additional training or both. All technical assistance and training provided during the Home Review must be documented on the Home Review. The Home Review must be signed and dated by the monitor and the provider. This procedure is to make sure that both the monitor and the provider have the same record of what occurred during the visit

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# CHAPTER 14 CIVIL RIGHTS

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## Section A – Offering The CACFP In A Non-Discriminatory Manner

Civil Rights regulations are intended to assure that benefits of the Child and Adult Care Food Program (CACFP) are made available to all eligible persons. This includes:

- Making every effort in recruitment and enrollment procedures to allow equal participation by all eligible participants and potential participants regardless of race, color, national origin, sex, age, or disability.
- Distributing the [Confidential Income Statements \(CIS\) and the Letter to Households](#) and approving *CIS* in a way that is fair to all and does not discriminate based on race, color, national origin, age, sex, or disability.
- Serving meals in a way that allows equal participation regardless of race, color, national origin, age, sex, or disability.

### **Discriminatory practices**

Discrimination is when an individual or a group of individuals are:

- Denied a benefit or service that others receive,
- Delayed receiving a benefit or service that others receive, or
- Treated differently than others.

When individuals or a group of individuals in a protected class (race, color, national origin, age, sex or disability) complain they have been discriminated against, it is the sponsor's responsibility to assist the complainants to report the alleged incident(s), investigate the incident in a fair and impartial manner, and to work with ODE CNP and/or the USDA to resolve the complaint.

Examples of discriminatory practices include:

- Refusing to make reasonable accommodations for participants with disabilities
- Failing to provide participants with disabilities reasonable accommodations to receive benefits
- Serving meals at a place, time, or in a manner that discriminates based on race, color, national origin, sex, age, or disability
- Selectively distributing *CIS* forms to only some households
- Failing to apply the same eligibility criteria to all potential participants
- Failing to provide materials that give non-English speaking persons full and equal opportunity to receive benefits

### **Obligation to Offer Infant Meals in the CACFP**

All CACFP Providers must offer CACFP benefits to all *enrolled participants*.

See [Chapter 11 Infants](#) for more information on feeding infants on CACFP.

## Section B – Collecting Racial and Ethnic Data

Collecting racial and ethnic data is required as part of the new sponsor and renewal application. It

must be collected and reported annually. Sponsors must maintain racial/ethnic data for three years plus the current fiscal year. All racial/ethnic data are confidential and should be stored in a way that protects each participant's privacy. To collect and report racial/ethnic data, follow the steps below.

### **Collecting and Reporting Racial/Ethnic Data**

The following information is required to be collected on the preliminary application, and then annually on the "[Racial Ethnic Annual Data Collection Form—Child and Adult Care Food Programs](#)" (see the back of the form for Racial and Ethnic category definitions):

- Determine and record the number of potentially eligible beneficiaries by the USDA racial-ethnic categories for the area served by each site. Sponsors may use the [county-level census data or other data from the United States Census website](#).
- Collect actual participant data by racial-ethnic category for each CACFP provider. Sponsors may collect racial/ethnic data of the participants from information provided on *Confidential Income Statements* by the household member completing the *CIS*. Since the racial/ethnic section on the *CIS* is optional for the household to complete, it may not be provided. If the racial/ethnic information is not provided by the household on the *CIS*, or the sponsor does not distribute *CIS*, visual identification may be used to determine a participant's racial/ethnic category.

Once the Racial Ethnic Annual Data Collection Form has been completed, it is to be maintained with all documents for three years plus the current program year. The form is **NOT** to be sent to ODE CNP.

## **Section C – Public Notification**

Each year at the beginning of the CACFP fiscal year, ODE CNP sends out a statewide public media release listing all sponsors participating on the CACFP. The public notification describes program benefits and includes the USDA nondiscrimination statement.

### **News Media Notification**

In addition to the ODE CNP annual public notification, sponsoring organizations may submit a public release to their local news media describing their specific program. Any news media release describing the CACFP must include the appropriate USDA nondiscrimination statement.

### **Minority and Grass Roots Organizations**

All CACFP sponsoring organizations are required to contact minority and grassroots organizations to recruit potential Providers. Organizations to contact may include, but are not limited to, schools/colleges, early intervention, health care systems, child care provider organizations, religious organizations, and community and cultural outreach programs.

### **Additional Public Notification Requirements**

Sponsoring organizations have the following additional, public notification responsibilities:

- Display the official USDA nondiscrimination poster "...And Justice for All" (see Section F Non-Discrimination Statement)
- Make Program information available to the public upon request
- Be able to provide information materials related to the CACFP in languages other than English, if the need exists

## **Building for the Future Brochure and Poster**

Sponsoring organizations and providers are required to notify parents that the provider participates in the CACFP. The notification must include the program benefits, the name and telephone number of the sponsoring organization and the name and telephone number of the State agency responsible for administration of the CACFP.

The Building for the Future brochure must be distributed to all Providers. Providers must distribute the brochures to parents/guardians of children in their care at the time they are approved to participate in the CACFP. They must continue to distribute the brochure to all newly enrolled children in their care as long as they participate in the CACFP. Sponsoring organizations must incorporate distribution of the Building for the Future brochure into the Provider Monitoring Review requirements.

Sponsoring organizations are required to have the Building for the Future poster in a common area of the main office in plain view for the public.

## **Section D – Complaint Procedure**

Sponsoring organizations are required to develop and implement a written procedure to handle any discrimination complaint that may be received. Any person who believes he/she/they has been discriminated against in the CACFP based on race, color, national origin, sex, age, or disability has a right to file a complaint within 180 days of the alleged discriminatory action. Complainants may choose to directly contact USDA with their complaint, they may notify ODE CNP or they may notify the sponsoring organization of their complaint.

Sponsoring organizations must give complainants a [Civil Rights Complaint Form](#) to complete and document all potential complaints in a [Civil Rights Complaint Log](#). If the complainant completes a *Civil Rights Complaint Form*, he/she/they can return the completed form to the sponsoring organization, send it to ODE CNP, or send it to USDA.

Sponsoring organizations *must* forward all discrimination complaints received to the Oregon Department of Education within three days.

The Civil Rights complaint should contain the following information:

- Name, address, telephone number of the complainant, if provided by complainant (complainants are not required to provide this information)
- Specific location and name of sponsoring organization, Provider or entity delivering the service or benefit
- The nature of the incident, action or method of administration that led the complainant to feel discriminated against

The sponsoring organization's written Civil Rights complaint procedure must describe:

- Where the *Civil Rights Complaint Forms* and *Civil Rights Complaint Log* will be kept at each site and at the administrative offices
- Who is trained on the sponsoring organizations Civil Rights procedure
- How Civil Rights complaints will be recorded in the *Civil Rights Complaint Log*
- Procedures for receiving and forwarding an alleged civil rights complaint. See the [Civil Rights Complaint Procedure](#).



## Section E – Civil Rights Training

All sponsoring organization staff involved in CACFP functions must receive annual training on Civil Rights requirements.

### **Staff training**

The sponsoring organization must provide Civil Rights training to all staff involved in CACFP functions. Initial and annual Civil Rights training must be documented. Required training topics are:

- What is discrimination?
- Collecting and recording racial and ethnic data
- Where the sponsor is to display ...*And Justice for All* posters
- Distribution of the *Building for the Future* brochures to Providers for distribution to parents/guardians at enrollment
- What is a Civil Rights complaint
- How to handle a Civil Rights complaint

Sponsoring organizations may use the [Civil Rights Training for Staff Form](#) or they may develop one of their own. Sponsoring organizations are encouraged to use the training webinars on Civil Rights located on the [ODE CNP CACFP Training Resources website](#).

## Section F – Non-Discrimination Statement

Sponsoring organizations must display the non-discrimination poster, "...[And Justice For All](#), where parents, adult participants and the general public can see and read it. Whenever the CACFP or USDA is mentioned on sponsoring organization materials, the non-discrimination statement must be included on these materials. Information that is directed to parents/guardians, employees, potential participants, or other public groups and that mentions the CACFP or USDA meals must also include the non-discrimination statement. Informational materials that require the statement include:

- Employee handbooks
- Enrollment forms
- Menus sent home or posted for public view
- Newsletters
- Brochures
- Parent handbooks
- Print or broadcast advertisements
- Flyers
- Websites

The non-discrimination statement has two formats—Long Form and Short Form. The *Non-Discrimination Statement—Long Form* is required on all documents that are longer than one 8-1/2" x 11" sheet printed on both sides. The long form is required on all websites or other social media postings.

The *Non-Discrimination Statement—Short Form* may be used on any document that is one page or less (contained on an 8-1/2" x 11" sheet printed on one or both sides).

The non-discrimination statement must be in a font size that is equal to, or larger than, the majority of the text in any document, printed or electronic.

### **USDA Non-Discrimination Statement – Long Form**

The text below contains the official USDA non-discrimination statement for Oregon. Paragraphs must be included verbatim on any document where the long form is required:

"In accordance with federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, this institution is prohibited from discriminating on the basis of race, color, national origin, sex (including gender identity and sexual orientation), disability, age, or reprisal or retaliation for prior civil rights activity.

Program information may be made available in languages other than English. Persons with disabilities who require alternative means of communication to obtain program information (e.g., Braille, large print, audiotape, American Sign Language), should contact the responsible state or local agency that administers the program or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339.

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](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 Avenue, SW  
Washington, D.C. 20250-9410;

(2) fax: (202) 690-7442; or

(3) email: [program.intake@usda.gov](mailto:program.intake@usda.gov)"

### **USDA Non-Discrimination Statement – Short Form**

Material that is one page or less *and* is too small to include the full non-discrimination statement may use the following abbreviated statement:

**"This institution is an equal opportunity provider."**

## **Section G – Limited English Proficiency (LEP)**

Recipients of Federal financial assistance have a responsibility to take reasonable steps to ensure meaningful access to their programs and activities by person(s) with limited English proficiency.

Primary factors to consider when determining reasonable steps:

- Number or proportion in the eligible service population. The greater the number, the higher the need.

- Frequency of contact in the programs. The frequency with which sponsors have or could expect to have contact with an individual from different language groups seeking assistance. The more frequent the contact with a particular language group, the more likely enhanced language services in that language are needed.
- Importance of the service provided. Will denial of the service cause a serious, life-threatening implication?
- Resources available and the costs involved.

A sponsor's level of resources and the costs that would be imposed on it may have an impact on the nature of the steps it should take. Smaller sponsors with more limited budgets are not expected to provide the same level of language services as larger sponsors with larger budgets. In addition, "reasonable steps" may cease to be reasonable where the costs imposed substantially exceed the benefits.

Resource and cost issues, however, can often be reduced by technological advances, for example:

- The sharing of language assistance materials and services among and between sponsors, advocacy groups, and Federal grant agencies;
- Where appropriate, training bilingual staff to act as interpreters and translators;
- Information sharing through industry groups;
- Telephonic and video conferencing interpretation services;
- Pooling resources and standardizing documents to reduce translation needs;
- Using qualified translators and interpreters to ensure that documents need not be "fixed" later and that inaccurate interpretations do not cause delay or other costs;
- Centralizing interpreter and translator services to achieve economies of scale, or;
- The formalized use of qualified community volunteers, for example, may help reduce costs.

Sponsors should carefully explore the most cost-effective means of delivering competent and accurate language services before limiting services due to resource concerns. Large sponsors and those sponsors serving a significant number or proportion of LEP persons should ensure that their resource limitations are well-substantiated before using this factor as a reason to limit language assistance. Such sponsors may find it useful to be able to articulate, through documentation or in some other reasonable manner, their process for determining that language services would be limited based on resources or costs.

For further information about LEP, please visit [the LEP Federal Interagency Website](#).

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# CHAPTER 15 PROVIDER SERIOUS DEFICIENCIES AND SUSPENSIONS

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## Section A – Serious Deficiency Process

CACFP regulations define seriously deficient as the status of an institution or a day care home that has been determined to be non-compliant in one or more aspects in its operation of the Program [[7 CFR 226.2](#)]. The serious deficiency process offers a systematic way for a sponsoring organization to take actions allowing a provider, and owner(s) if applicable, to correct problems and to give the provider the opportunity for due process. If providers are unwilling or incapable of correcting serious problems, the serious deficiency process protects Program integrity by terminating and disqualifying those in noncompliance of CACFP requirements.

The serious deficiency process has six steps that start when a sponsoring organization identifies a deficiency and ends when that deficiency has been resolved. The resolution will be either the correction of the problem and the issuance of a temporary deferment of the serious deficiency, or the provider and owner's termination and disqualification from the Program.

The six steps in the serious deficiency process are:

1. Identify the serious deficiencies;
2. Issue a notice of serious deficiency;
3. Receive and assess the provider's written corrective action plan (CAP);
4. Issue a notice of temporary deferral of the serious deficiency if the CAP is adequate, or issue a notice of proposed termination and disqualification, including appeal procedures, if the CAP is not adequate (or if no CAP is received);
5. If requested, hold an appeal, of the proposed termination and disqualification; and
6. If termination is upheld, issue a notice of final termination and disqualification or if termination is overturned, issue a notice of temporary deferral.

### **Identifying Serious Deficiencies for Providers**

A provider may be declared seriously deficient if the sponsoring organization finds Program violations or issues of non-compliance with CACFP requirements at any time during the provider's participation. Serious deficiencies that are not permanently corrected will result in the proposed termination and disqualification of the provider.

If however, the serious deficiencies involve an imminent threat to the health and safety of participants, or the provider has engaged in activities that threaten the public health or safety, the sponsoring organization must follow the suspension procedure outlined in Part 5 of the [CACFP Serious Deficiency, Suspension, & Appeals for State Agencies & Sponsoring Organizations- A Child and Adult Care Food Program Handbook](#).

Business owners are considered to be Responsible Principals/ Individuals. Due to this they are included in each step of the serious deficiency process, including up to and through proposed termination and disqualification.

Sponsoring organizations should become familiar with the serious deficiencies. The following are noncompliance issues that rise to the level of a serious deficiency [[7 CFR 226.16\(l\)\(2\)](#)]: (the below list should not be considered to be all-inclusive):

1. Submission of false information on the provider's application;

2. Submission of false claims for reimbursement;
3. Simultaneous participation under more than one sponsor;
4. Non-compliance with the Program meal pattern;
5. Failure to keep required records;
6. Conduct or conditions that threaten the health or safety of a child(ren) in care, or the public health or safety;
7. A determination that the provider has been convicted of any activity that occurred during the past seven years and that indicated a lack of business integrity. A lack of business integrity includes deceit, 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 State agency, or the concealment of such a conviction;
8. Failure to participate in training; or
9. Any other circumstance related to non-performance under the sponsoring organization's provider agreement, as specified by the sponsoring organization or ODE CNP.

### **Determining Serious Deficiencies**

The sponsor has the authority to determine when a violation rises to the level of a serious deficiency. In deciding whether a Program violation rises to the level of a serious deficiency, sponsors will consider, but not limit themselves to the following items.

- The severity of the problem. Evaluate whether:
  - The noncompliance is on a minor or substantial scale.
  - The violations are indicative of a recurring problem with the provider, rather than the problem is an isolated event. Even minor problems may be serious if systemic.
  - The problem(s) are serious even though they have occurred only once.
- The degree of responsibility attributable to the provider. Evaluate whether:
  - To the extent that evidence is available, the violations are inadvertent errors of an otherwise responsible provider.
  - There is evidence of negligence or a conscious indifference to regulatory requirements.
  - There is evidence of deception, or intentional noncompliance.
- The provider's history of participation in the Program. Evaluate whether:
  - The problems of noncompliance frequently recur with the same provider.
- The nature of the requirements that relate to the problem. Evaluate whether:
  - The provider's violations are a clear violation of Program requirements.
  - The provider failed to implement new CACFP policy appropriately.
- The degree to which the problem impacts Program integrity. Evaluate whether:
  - The violations undermining the intent or purpose of the CACFP.

### **Serious Deficiency Letters**

The most critical step in the serious deficiency process may be when the sponsoring organization prepares and issues the formal notice of serious deficiency. After the sponsoring organization

thoroughly investigates and documents any serious deficiency(ies), the sponsoring organization must issue a notice of serious deficiency.

A sponsor should remember to include all findings identified during a review. Findings that do not rise to the level of a serious deficiency must still be issued to the provider and owner(s). This can be done in the serious deficiency notice with clear language that the areas are not considered serious deficiencies but that they also must be corrected, or the findings can be issued in a separate letter.

ODE CNP's [Serious Deficiency Flow Chart for Family Day Care Home Providers](#) outlines every step in the serious deficiency, temporarily deferral of the Serious Deficiency and the termination processes. In addition, the Flow Chart includes the name and number of the specific letter issued to providers and owners, where the sponsor must send the letter, CNPweb update instructions and ODE CNP actions with the letter. Sponsors must follow the Flow Chart and use the template letters issued by ODE CNP. Sponsors must send a copy of each letter issued by the sponsor to the provider and owner(s) in the serious deficiency process to ODE CNP *on the date of issuance*. ODE CNP reviews each letter and will contact the sponsor if revisions and reissuance are required.

Notice, as defined by the USDA, means a letter sent by certified mail, return receipt (or the equivalent private delivery service), by fax, or by email with delivery and read receipts, that describes an action proposed or taken by the sponsoring organization with regard to a provider's, responsible principal's, or responsible individual's Program participation [7 CFR 226.2].

A notice is considered received by the provider, responsible principal, and/ or responsible individual five days after being sent to the addressee's last known mailing address, fax number, or email address. Any timeframes associated with a given notice start with the earliest form of transmission. When determining the end of an appeal period and the date of delivery is unknown, then start counting the days for the appeal period five days after the date the notice was sent (i.e. start counting "the first day after receipt", which would be the day after a notice was sent when sent by email.

It is a best practice to get proof of the delivery of the notice.

Note: Any reference to "number of days" always means calendar days.

The USDA created prototype Serious Deficiency Letters for use by sponsoring organizations with Family Day Care Homes. These letters contain all required regulatory language. ODE CNP has uploaded these Serious Deficiency and Suspension template letters onto the [Child Nutrition Programs Google Drive](#). ODE CNP may update letters on an as needed basis, therefore it is important for sponsors to download the letters from the Google Drive each time a letter must be sent. Below is the list of serious deficiency letters and when they are to be used.

### **Letter 1 – Notice of Serious Deficiency**

Issue immediately when the serious deficiency(ies) have been identified and documented.

### **Corrective Action Plan (CAP)**

In response to the notice of serious deficiency, a provider must submit a Corrective Action Plan (CAP) within 30 days (or less if required by the sponsor) that details the processes implemented to ensure that the serious deficiency(ies) have been fully and permanently corrected. The sponsoring organization will evaluate the CAP and determine whether adequate internal controls have been put into place to fully and permanently correct the deficiencies. An acceptable CAP must include the following information:



- Name of the provider(s) and owner(s) associated with the serious deficiencies;
- Address of the provider;
- Date of birth for the provider(s) and owner(s) associated with the serious deficiency(ies); and
- Details of the serious deficiency(ies):
  - o What are the serious deficiency(ies) and the procedures that were implemented to address the serious deficiencies?
  - o Who addressed the serious deficiency(ies)? List provider and owner(s) personnel responsible for this task.
  - o When was the procedure for addressing the serious deficiency(ies) implemented? Provide a timeline for implementing the procedure (i.e., will the procedure be done daily, weekly, monthly, or annually, and when did implementation of the corrective action plan begin)?
  - o Where is the CAP documentation retained?
  - o How will the provider and owner(s) ensure that the CAP corrects the deficiency(ies) and continues to be implemented?

The CAP is a provider and owner's response to the sponsor's requirement that Program serious deficiency(ies) be corrected. The response will generally include details of and documentation that the corrections have already been made. This might include copies of income eligibility forms, enrollment rosters, menus, Child Nutrition Labels, Product Formulation Statements (PFS), Nutrition Facts Labels, Ingredient lists, attendance records, meal count forms, etc. If the CAP and supporting documentation is acceptable, the sponsoring organization can approve it.

An acceptable CAP for the serious deficiency(ies) listed must answer the questions *what, who, when, where, and how*. For more information on the CAP and an example of an acceptable CAP please refer to the [Serious Deficiency, Suspension, & Appeals for State Agencies & Sponsoring Organizations CACFP Handbook](#).

If the CAP is not acceptable and was received within the 30-day timeframe, the sponsoring organization may offer technical assistance to the provider and owner(s) to assist in the development of an acceptable CAP. Giving a provider and owner(s) technical assistance does not extend the 30-day time period. Meaning, if an unacceptable CAP is received 15 days from the Notice of Serious Deficiency, the provider and owner(s) would only have 15 days to submit an acceptable CAP if technical assistance is given. The CAP is still required to be acceptable within 30 days from the date the Notice of Serious Deficiency is sent.

### **Letter 2 – Notice of Successful Corrective Action Temporary Deferment of Serious Deficiency**

Issue this letter when the corrective action submitted by the provider and/ or owner adequately corrects the serious deficiency. As required by 7 CFR 226.16(l)(3)(i)(C), the provider has 30 days to correct the issues, not simply to provide a plan for correcting.

### **Letter 3A – Notice of Proposed Termination and Proposed Disqualification**

Issue this letter when the corrective actions were received on or before the deadline, however, the corrective action does not fully and permanently correct the serious deficiency(ies).

### **Letter 3B – Notice of Proposed Termination and Proposed Disqualification**

Issue this letter when the corrective action was received before the deadline and an unannounced follow-up review was conducted. During the unannounced follow-up review, it is verified that the provider failed to implement timely corrective action to fully and permanently correct the serious deficiency(ies) cited.

### **Letter 3C – Notice of Proposed Termination and Proposed Disqualification**

Issue this letter if the corrective action is received after the corrective action deadline.

### **Letter 3D – Notice of Proposed Termination and Proposed Disqualification**

Issue this letter if the corrective action is not received.

### **Letter 3E – Notice of Proposed Termination and Proposed Disqualification**

Issue this letter after the serious deficiency(ies) has/have been temporarily deferred and during a later review with the provider, and owner if applicable, the serious deficiency(ies) is/were not fully and permanently corrective.

### **Letter 4A – Notice of Termination Disqualification**

Issue when the provider, and/ or owner if applicable, did not request an appeal by the appeal deadline and documentation is available that Letter 3 was received by the provider.

### **Letter 4B – Notice of Termination Disqualification**

Issue when the provider, and/ or owner if applicable, did not request an appeal and documentation is not available that Letter 3 was received by the provider.

### **Letter 5 – Temporarily Defer Serious Deficiency**

Issue when the provider, and owner if applicable, requests and wins the appeal.

### **Letter 6 – Notice of Termination and Disqualification**

Issue when the provider, and owner if applicable, requests and appeal and the sponsor wins the appeal.

## **Outcomes of the Serious Deficiency Process for providers**

CACFP regulations allow only two possible outcomes of the serious deficiency process:

- The correction of the serious deficiency to the sponsor's satisfaction within stated timeframes, or
- The sponsor's proposed termination and disqualification of the provider and its agreement.

Once a sponsor's conditions for successful corrective action, including repayment of a debt, are established in a notice of serious deficiency, those conditions may not be altered by any form of "negotiated settlement."

However, the issuance of the notice of intent to terminate does not mean that the provider, and owner if applicable, should stop working on corrective action. In fact, the sponsor can accept corrective action at any point up until the appeal deadline has passed or the provider's agreement

is terminated. If the provider, and/ or owner if applicable, submits documented evidence which convinces the sponsor that the serious deficiency has been fully and permanently corrected, the sponsor may accept the corrective action and temporarily defer the proposed termination. This is not considered a “settlement agreement” because it would be acceptable corrective action. Note again that if the provider, and owner if applicable, later fails to maintain this corrective action, the sponsoring organization must immediately re-issue a notice of proposed termination and disqualification [7 CFR 226.16(l)(3)].

When the provider, and owner if applicable, fails to implement successful corrective action, he/she will be terminated and placed on the National Disqualified List (NDL). Once on the NDL, the provider, and owner if applicable, is not eligible to participate in the CACFP in any State as Responsible Principal/Individual (RP/I) at an institution or as provider. Completing the entire process is important. If the sponsor does not complete the serious deficiency process, the provider may, because he/she/they has not been disqualified, simply move, reapply and be admitted to participate in the Program in another State.

If the provider corrects the serious deficiencies and pays all the provider debts owed, the provider may be eligible to be removed from the NDL early pending ODE CNP review.

### **Program Payments during Serious Deficiency Process for providers**

During the serious deficiency process, a sponsor must continue to pay any valid claims for reimbursement for eligible meals served until the serious deficiency is corrected or the provider’s agreement is terminated, including the period of any appeal [7 CFR 226.16(l)(3)].

## **Section B – Suspension Process**

A suspension is the only time a sponsor can combine a notice of serious deficiency with a notice of proposed termination and proposed disqualification. Further, a suspension is the only time a sponsor can stop paying providers before giving them the opportunity to correct the problems and appeal the termination.

If State or local health or licensing officials cite a provider for serious health or safety violations, the sponsoring organization must take action when it learns of the concerns, even though the licensing agency has not yet taken formal action to revoke the provider’s licensure or approval.

Even if the proper authorities indicate that it is safe for the monitor to leave a provider while they conduct further investigation or inquiry, the monitor and sponsor should still initiate a suspension and the serious deficiency process. FNS expects sponsors to take immediate action to stop payments and suspend the provider’s CACFP participation and declare the provider seriously deficient, regardless of any formal procedures pending or underway by the licensing authorities to revoke the provider’s license or approval [CACFP 13-2013, Health and Safety in the Child and Adult Care Food Program, July 26, 2013].

If the sponsor determines that there is an imminent threat to the health or safety of participants at a provider’s day care home, or that the provider has engaged in activities that threaten public health or safety, the sponsor must immediately notify the appropriate State or local licensing and health authorities. If the licensing agency cannot make an immediate onsite visit, the sponsor will take action that is consistent with the recommendations and requirements of the licensing agency.

### **Suspension Letters**

The provider’s main priority is to protect the health and safety of the children in care. If the monitor

determines that there is an imminent threat to the health or safety of participants at a day care home, or that the provider or provider's staff has engaged in activities that threaten the public health or safety, that provider will be suspended. This means that the provider will not receive payment until any Program-appeal activity is completed.

If there is an imminent threat to the health or safety of the children in care, the monitor must immediately notify the appropriate State or local child welfare, licensing, and health authorities and take action that is consistent with the recommendations and requirements of those authorities [7 CFR §226.16(l)(4)(viii)].

Additionally, if a sponsor finds out that a State or local health or licensing officials has cited a day care home or provider for a serious health or safety violations or has suspended the provider's license, the sponsor must immediately suspend the provider's CACFP participation. The sponsor may not wait for formal action on behalf state or local health and/or licensing officials before taking any formal action to revoke the provider's licensure or approval.

The sponsor will notify the provider that his/her participation has been suspended, that the provider has been determined seriously deficient, and that the sponsor proposes to terminate the provider's agreement for cause. The sponsor also must provide a copy of the notice to the State agency and follow the procedures outlined in Program regulations [7 CFR §226.16(l)(4)].

ODE CNP's [Suspension Process for Family Day Care Home Providers Flow Chart](#) outlines every step in the suspension, serious deficiency, temporarily deferred and termination process. In addition, the Flow Chart includes the name and number of the specific letter issued to providers, where the sponsor must send the letter, CNPweb update instructions and ODE CNP actions with the letter. Sponsors must follow the Flow Chart and use the template letters issued by ODE CNP. Sponsors must send a copy of each letter issued by the sponsor to the provider in the serious deficiency process to ODE CNP *on the date of issuance*. ODE CNP reviews each letter and will contact the sponsor if revisions and reissuance are required. [[ODE Policy Memo, Updated Serious Deficiency and Suspension Resources, January 11, 2016](#)]

As with the Serious Deficiency Letters, the USDA created prototype Suspension Letters for use by sponsoring organizations with Family Day Care Homes. These letters contain all required regulatory language. ODE CNP has uploaded these Serious Deficiency and Suspension template letters onto the [Child Nutrition Programs Google Drive](#). ODE CNP may update letters on an as needed basis, therefore it is important for sponsors to download the letters from the Google Drive each time a letter must be sent. Below is the list of suspension letters and when they are to be used.

**Letter 7 – Notice of Serious Deficiency, Suspension, and Proposed Termination and Disqualification**

Issue immediately when an imminent threat to the health or safety of CACFP participants is established, or when the sponsor receives notification from the Office of Child Care (OCC) that the provider's license has been suspended.

**Letter 8 – Notice of Termination and Disqualification**

Issue when the provider does not request an appeal by the appeal deadline.

**Letter 9 – Notice of Termination and Disqualification**

Issue when the provider requests an appeal and the Sponsor wins the appeal.

## **Letter 10 – Notice of Rescission of Suspension, Proposed Termination and Disqualification**

Issue when the provider requests an appeal and the provider wins the appeal. When the hearing official overturns the sponsor's action to suspend the provider, the sponsor must still require the provider to permanently correct the serious deficiency(ies). When this letter is sent the provider is notified that corrective action is still required. Sponsor simultaneously submits this to ODE CNP (See [Section C: Termination and Disqualification Process](#)).

### **Program Payments during the Suspension of a provider**

A sponsor is prohibited from making any Program payments to a provider that has been suspended until any appeal of the proposed termination is completed. If the suspended provider prevails in the appeal of the proposed termination, the sponsor must reimburse the provider for all eligible meals served during the suspension period that are properly documented [7 CFR 226.16(l)(4)(iv)]. If the provider loses the appeal, payments are not to be made to the provider.

## **Section C – Termination and Disqualification Process**

Termination for cause is defined as the termination of a family day care home's Provider Agreement by the Sponsor due to the home's violation of the agreement. FDCH Sponsors must initiate action to terminate the agreement of a family day care home for cause if the Sponsor determines the home has committed one or more serious deficiency(ies) as listed above and the home has not corrected the serious deficiency within the allotted time for correction.

The Sponsor must immediately terminate the family day care home's agreement and disqualify the home when the administrative review (appeal) official upholds the Sponsor's proposed termination and proposed disqualification, or when the home's opportunity to request an administrative review (appeal) expires. The Sponsor must immediately:

- Notify the provider, and owner if applicable, that the provider agreement has been terminated and that the family day care home has been disqualified.
- The Termination Notice and the Termination and Disqualification Notice Form must contain the following information:
  - The provider and owner's name, address, date of birth and the date of the notice;
  - If applicable, and if the provider fail to repay a debt, the amount of any determined debt associated with the provider;
  - The name and address of sponsoring organization.
  - The reason for disqualification.

At the same time the notice is issued, the Sponsor must provide a copy of the termination and disqualification notice to the ODE CNP. ODE CNP tracks the serious deficiency process on the Oregon Seriously Deficient and Disqualified List.

## **Section D – Dropped for Convenience Process**

Termination for convenience is defined as termination of a family day care home's Program agreement by either the Sponsor or the family day care home due to considerations unrelated to either party's performance of Program responsibilities under the agreement.

A Sponsor may drop a home for convenience only for reasons unrelated to the provider's performance under the contract. Because termination for convenience is not based on the "fault" of

the other party, providers who have had their Program agreement terminated for convenience are not placed on the National Disqualified List. In addition, if a provider's agreement is terminated for convenience by its Sponsor, the provider may participate in the Program under another Sponsor, and their participation would not be subject to the provider transfer limits.

There are a number of circumstances under which a Sponsor could legitimately determine it had to terminate a provider's agreement for convenience. For example, if a Sponsor operated the Program in 200 homes in 4 counties, but 2 of the homes were located in the most remote county and were farthest from the Sponsor's offices, the Sponsor might conclude that it was no longer cost-effective to Sponsor these providers. Therefore, in order to maintain the Sponsor's financial viability, the Sponsor could legitimately terminate the provider's agreement "for convenience."

The Sponsor should notify the family day care home, in writing, at least 30 calendar days in advance of the date of the last meal the Sponsor would reimburse. The letter must indicate the reason the provider is being dropped and the last date for which the provider's meals will be reimbursed. The intent of this procedure is to allow the provider to sign-on with another Sponsor and avoid losing any days of participation in the CACFP as the provider switches Sponsors.

## Section E – Administrative Review (Appeal) Procedures for Day Care Home Providers

When a sponsor proposes to terminate its Program agreement with a provider and owner for cause or a suspension of their participation, the provider, and owner if applicable, must be provided an opportunity for an appeal of the proposed termination. If the home is incorporated, the provider and owner may choose to individually submit an appeal on their own behalf. Meaning, an owner may choose to appeal, while the provider does not (or vice versa). In these situations the Sponsor will continue through the appeal procedure with the responsible individual who requested the appeal. The outcome of the appeal will have no bearing on the responsible individual who did not submit an appeal.

Sponsors are required to annually notify all day care home providers and owners of the appeal procedures. The sponsor's internal appeal procedures must state the method the sponsors will use to notify all CACFP day care home providers of their appeal procedure. The sponsor must develop procedures for offering and providing provider appeals according to the procedures described below. This is also described in Part 8 of the [Serious Deficiency, Suspension, & Appeals CACFP Handbook](#).

### **Administrative Review (Appeal) Procedures for providers**

The sponsor must follow the procedures described below when a provider and/or owner requests an appeal.

- *Uniformity.* The same procedures must apply to all providers.
- *Representation.* The provider, and owner if applicable, may represent him or herself, retain legal counsel, or may be represented by another person.
- *Review of record and opposition.* The provider, and owner if applicable, may review the record on which the sponsor's decision was based and refute the action in writing. The hearing official is not required to hold an in-person hearing.
- *Administrative review official.* The hearing official must be independent and impartial. This means that, although the hearing official may be an employee of the State agency



or an employee or board member of the sponsor, he/she/they must not have been involved in the action that is the subject of the appeal or have a direct personal or financial interest in the outcome of the appeal.

- If the hearing official is an employee of the sponsor, he/she/they may not occupy a position in which he/she/they is potentially subject to undue influence from the individual responsible for the sponsor's action, nor may he/she/they occupy a position in which he/she/they may exercise undue influence on the individual responsible for the action.
  - The provider and/ or owner must be permitted to contact the hearing official directly if he/she/they so desires.
- *Basis for decision.* The hearing official must make a determination based solely on the information provided by the sponsor and the provider/ owner (if applicable), and on Federal and State laws, regulations, policies, and procedures governing the Program.
  - *Time for issuing a decision.* The hearing official must inform the sponsor, the provider, and/ or owner of the appeal's outcome within the period of time specified in the sponsor's appeals procedures. This timeframe is an administrative requirement for the sponsor, and may not be used as a basis for overturning a termination if a decision is not made within the specified timeframe.
  - *Final decision.* The determination made by the hearing official is the final administrative determination to be afforded the provider and/or owner.[7CFR 226.6(l)].

### **Actions Subject to Administrative Review (Appeal) – provider and owner**

The sponsor is required to offer an appeal to a provider and owner, if applicable, for only a notice of proposed termination or suspension [7 CFR 226.6(l)(2)].

### **Actions Not Subject to Administrative Review (Appeal) – provider and owner**

The sponsor is not required to offer an appeal for reasons other than the proposed termination of a provider and owner, if applicable [7 CFR 226.6(l)(3)]. Serious deficiencies are not appealable.

### **Providing Administrative Review (Appeal) Procedures to providers**

The appeal procedures must be provided to providers and owner, if applicable, as follows:

- Annually to all providers and owners (if these are in a sponsor's handbook for providers or operational manual, the sponsor will still need to, annually, provide a written notice of where to find the procedures);
- Whenever the sponsor takes any action subject to appeal; and
- At any other time upon request [7 CFR 226.6(l)(4)]

### **Program Payments during the Administrative Review Process for providers**

If an appeal is requested, the sponsor must continue to pay any valid claims for reimbursement for eligible meals served until a decision has been rendered, unless the provider has been suspended from participation based on health or safety violations [7 CFR 226.16(l)(3)(iv), and CACFP Policy *Termination of Program Payment Procedures*, October 17, 2000].



## Section F – National Disqualified List

### **Placement on the National Disqualified List (NDL)**

Program regulations require that disqualified and terminated Responsible Principals/Individuals (RP/Is), and providers be placed on the National Disqualified List (NDL).

An institution can never be seriously deficient without some improper action by RP/Is. An individual or individuals are always responsible for the facility failings to comply the regulatory requirements.

NDL submission requests sent to ODE CNP must contain all the information outlined below prior to it being sent to the FNS Regional Office. The following information is required when submitting information to FNS for inclusion on the NDL.

- Name(s) of the provider(s) and, if applicable owners;
- Any known aliases;
- Address (including city, state, and zip code);
- Date of birth;
- Termination date;
- Amount of debt owed, if any;
- Name and address of the individual's sponsor; and
- Reason(s) for the disqualification

### **Removal from the National Disqualified List**

CACFP regulations require that a disqualified RP/I, or provider remain on the NDL unless it is determined that the serious deficiencies have been corrected, for seven years or until any outstanding debt is repaid, whichever is longer. When both the seven years have elapsed and the debt repaid, the RP/I, or provider will be removed from the NDL.

### **Early Removal from the National Disqualified List – Documented Corrective Action and Debt Payment**

Providers and owner, if applicable, may submit corrective action, pay off any debts owed (including any interest), and submit a request to ODE CNP for early removal from the NDL.

ODE CNP must review a provider and/or owner's request for removal from the NDL. If ODE CNP approves the request, and ensures that any debt associated has been paid, it may submit the information to the FNS Regional Office, where it will be reviewed for completeness. Once reviewed, the FNS Regional Office will submit the request to the FNS National Office for removal. The effective date of NDL removal will be the date on which the FNS National Office processes the removal request. The FNS Regional Office will be notified once the removal has been completed and inform the State agency [7 CFR 226.6(c)(7)(vi)].

Being on the NDL means that the provider and/or owner failed to take successful corrective action at least once and has already been given due process. Since there is no statutory or regulatory requirement for a State agency to expedite the processing of these requests, ODE CNP may handle these requests in their normal course of business.

Once a name is removed from the NDL whether based on early or normal seven-year timeframe, they may reapply for participation in the Program. However, removal from the NDL does not equate to approval to participate. Providers can be removed from the NDL and still subsequently not be approved to participate in the Program.

While ODE CNP must determine whether a RP/I, or provider has successfully completed corrective action, the burden for documenting that it is fully capable of operating the Program and comply with all requirements lies with the provider. The sponsor may wish to conduct a monitoring review soon after the provider has been reinstated to verify that corrective action has actually been implemented.

## Section G – Debt Collection

Providers are not charged interest on debts. Repayment of debt is made to the sponsor and returned to the ODE CNP by its funds recovery system.

Providers that fail to repay debts owed under the Program will remain on the NDL until the debt has been paid in full.

# CHAPTER 16 AUDITS, ADMINISTRATIVE REVIEWS & SERIOUS DEFICIENCIES

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## Section A – Audits

Sponsors that expend \$750,000 or more in Federal funds during their fiscal year are required to have a Single Audit completed and submit it to the Federal Audit Clearinghouse (FAC) within 9 months of the close of their fiscal year. Each year during application renewal, on the CNPweb *Sponsor Information Sheet*, Sponsors are required to report and certify if they have expended more than \$750,000 in Federal funds during the previous fiscal year. ODE CNP will send a letter to those Sponsors answering “yes” in field 140 of the CNPweb *Sponsor Information Sheet* reminding them of their organization’s requirement to have a single audit completed

Within nine months of the close of their fiscal year, sponsors are required to submit the single audit reporting package to the Federal Audit Clearinghouse website and send an email to ODE CNP confirming the audit has been posted on the FAC and indicate if the audit contains any reportable CACFP or SFSP conditions. Reportable conditions include: material weakness, significant deficiency or material non-compliance findings.

Failure to complete the audit or submit the audit to the clearinghouse website by the deadline stipulated will result in the organization being categorized as “seriously deficient” and may lead to termination from the CACFP.

If the audit contains reportable CACFP or SFSP conditions the Sponsor’s auditor must submit a copy of the single audit, management letter, and corrective action plan to ODE CNP.

The objective of an audit is to evaluate the integrity of an organization’s financial data. An auditor will assess the program’s financial operations. Specifically, an audit will determine if a Sponsor’s:

- Financial statement fairly represents its financial position;
- Financial operations are in accordance with generally accepted accounting principles; and
- Internal control systems provide reasonable assurance that it is managing Federal funds in compliance with laws and regulations.

Please review Uniform Grant Guidance [2 CFR Part 200 Subpart F- Audit Requirements](#).

## Section B – Administrative Reviews

ODE CNP conducts Administrative Reviews of all Sponsors at least once every two years. The purpose of the Administrative Review is to measure the Sponsor’s program to State and Federal standards; assess agency viability, accountability and capability; and to follow-up on any previous Administrative Review findings to ensure the Sponsor fully and permanently implemented the required corrective actions. The Administrative Review is not intended to discover all possible program deficiencies and any omission from the Administrative Review report does not mean that those deficient practices are acceptable.

ODE CNP reviews Sponsor level and monitor-level compliance. Sponsor level reviews may be announced or unannounced. If the Sponsor-level administrative review is announced, ODE CNP will send the Sponsor a review confirmation letter with a list of documents that must be available at the time of the review.

There are six parts to the administrative review:

- Entrance interview
- Records review
- Provider reviews/visits
- Exit conference

- Corrective action (if needed)
- Financial assessment (if needed)

### **Entrance Interview**

The purpose of the entrance interview is for ODE CNP and the sponsor staff to discuss the review process, gather information on the Sponsor's internal policies and procedures, and discuss the review schedule.

### **Records Review**

Depending on the size and complexity of the program the records review will include:

- Agreements between each home and the sponsoring organization
- Site application for each home
- OCC registration letter or group home license for each home
- CACFP Child Enrollment Forms for all children enrolled in the CACFP
- Completed and approved Confidential Income Statement (CIS) forms for all provider's own children who are claimed, and children claimed by Tier 2 providers
- Tier identification and documentation for each provider
- Copies of program literature available to the public (enrollment materials, public releases, newsletters, participant handbooks, brochures) contains the nondiscrimination statement including complaint procedure
- Monthly provider menu and meal count records, indicating food components and children being claimed (includes separate menus for infants under one year of age)
- Evidence that meals that do not qualify for reimbursement are disallowed
- Child Nutrition Label (CN Label) information for commercially prepared food items (if applicable).
- Documentation of enrollment and attendance for each child claimed
- Completed Medical Statements for Food Substitutions if claiming meals with food substitutions for required components due to medical reasons
- Documentation of pre-approval visits and initial training
- Documentation of all provider-monitoring visits, including follow-up
- Documentation of serious deficiency file notes, corrective actions received, review of corrective actions, and parent surveys (if applicable)
- Documentation of monitoring visit tracking system
- Documentation of notification of OCC and AFS when providers do not meet requirements
- Documentation of OCC renewal start date

- Documentation of participation and content for at least one annual training session for each provider
- Documentation of participation and content for all CACFP-related staff training, including new staff training
- Documentation of staff attendance to ODE CNP's mandatory annual CACFP training
- Documentation of provider hearings and outcomes
- Written appeal procedures in all languages served
- Financial documentation including but not limited to:
  - Original documentation for claimed administrative costs (including: invoices, receipts, mileage logs, payroll records, etc.)
  - Original documentation for claimed administrative costs for previous FY carryover funds (including: invoices, receipts, mileage logs, payroll records, etc.)
  - Documentation of program income
  - Documentation of other program income
  - Documentation of disbursement of reimbursement payments
  - Copy of ODE Approved Current FY Budget
  - Copy of ODE Approved Indirect Cost Rate (if applicable)
  - Copy of ODE Approved Cost Allocation Plan (if applicable)
  - Bank Account Statements & Reconciliations for each Business Account (including cancelled checks)
  - Chart of Accounts
  - Fixed Asset Detail: USDA Inventory List (including asset description, acquisition date & cost, disposal date & fair market value/sales price)
  - Board of Directors minutes for the three most recent meetings
  - Copy of the management plan
  - Procurement Procedure
  - Documentation of implementation of the informal and formal procurement process as applicable [documentation of informal process: prices obtained from telephone, verbal or fax; documentation of formal process: Invitation to Bid (IFB) or Request for Proposal (RFP)]
  - Audit findings and management letters – evidence that any corrective action plan has been implemented (if applicable)

### **Provider Reviews/Visits**

ODE CNP staff will accompany sponsor monitors during unannounced provider reviews. For sponsors with more than 100 providers, five percent of providers will be reviewed. For sponsors with

less than 100 providers, ten percent of providers will be reviewed.

During the provider review, ODE CNP reviewers will observe monitors for: (the below list is not all-inclusive)

- Compliance with meal pattern and portion size requirements
- Compliance with menu records
- Compliance with attendance and meal count procedures
- Compliance with enrollment forms
- Compliance with safety and sanitation
- Evaluate compliance with Civil Rights requirements
- Compliance with 5-day reconciliation procedures
- Compliance with corrective action procedures
- Compliance with OCC licensing regulations

### **Exit Conference**

At the completion of the administrative review, the ODE CNP reviewer(s) will conduct an exit conference with sponsor staff responsible for CACFP operations. Ideally, the exit conference will be conducted in person however it may be conducted via telephone, if needed.

The ODE CNP reviewer will report on program strengths, findings, required corrective actions, technical assistance provided and recommendations. At the exit conference the ODE CNP reviewer may issue a *Preliminary Finding Report* or a *Final Administrative Review Report*.

Due to time constraints and program complexity, on occasion the ODE CNP reviewer will not issue either type of finding report at the exit conference. If the *Preliminary Finding Report* is left, an official *Final Administrative Review Report* that describes final findings and required corrective actions will be sent at a later date. In this case, the *Final Administrative Review Report* may not be the same as the *Preliminary Finding Report*.

## **Section C – Findings and Corrective Actions**

An administrative review, audit, or other review may discover findings. Findings are areas of non-compliance with Federal regulations or State Agency (ODE CNP) policies. When findings are identified as part of an audit or administrative review, the sponsor must fully and permanently correct the findings within required timeframes.

### **Administrative Review Report**

Findings and required corrective actions will be described in detail in the *Administrative Review Report* that will be issued to the Sponsor official who is on file with ODE CNP as the sponsor's



Authorized Representative or Food Program Coordinator as listed in CNPweb or their designee. A copy of the report will also be sent to the board chair of Non-Profit organizations.

### **Corrective Action**

Corrective actions are those actions ODE CNP requires the sponsor to take to correct the non-compliance findings. Corrective action must be submitted and implemented by the due date listed in the *Administrative Review Report*.

The Sponsor may be required to take the following corrective actions:

- Develop and implement systems or procedures to demonstrate compliance with Federal regulations or state policy
- Submit other required documents
- Other corrective action as deemed necessary by the review findings

Required corrective actions will always include submitting to ODE CNP a written plan that clearly describes how the sponsor will correct all noncompliance findings. The written plan must describe ways the sponsor will permanently and fully correct the areas of non-compliance. Corrective actions must also be implemented effectively.

ODE CNP may require sponsors to submit supporting evidence with the corrective action plan.

### **Responding to Corrective Action**

The sponsor must submit a written response to findings and required corrective actions by the due date listed in the *Administrative Review Report* (typically within 30 days of the receipt of *Administrative Review Report*). Occasionally, ODE CNP may determine that a shorter or longer response due date is required. When a thorough and complete response is submitted and accepted, ODE CNP will issue written notification that the administrative review is closed with a notice of any financial assessment to the sponsor as a result of the review findings. Failure to submit a timely response will result in the sponsor being categorized as “Seriously Deficient” in the operation of CACFP.

### **Financial Assessments**

If findings reveal the sponsor claimed administrative expenditures or reimbursement for meals without adequate documentation to demonstrate CACFP compliance, ODE CNP will require the sponsor to pay back funds to ODE CNP. This is called a “financial assessment”.

If the sponsor continues CACFP participation and owes \$600 or more, ODE CNP will recuperate overpayments through the reimbursement claim process. If the sponsor does not continue participation in the CACFP, ODE CNP will bill the sponsor for funds owed. If owed funds are not paid, ODE CNP will collect funds through the Department of Revenue or the Department of Justice collection.

Costly errors that may result in a financial assessment could include:

- Providers claiming meals for children who do not have current enrollment forms on file
- Provider attendance records are incomplete or otherwise do not support meal counts
- Provider meal count records were incomplete or missing

- Provider claimed more than two meals and one snack or two snacks and one meal were claimed per participant per day
- Observed meals during provider reviews did not meet CACFP meal pattern requirements
- Provider meals with substitutions for required components were claimed without completed *Medical Statements* on file (See [Chapter 10 Meal Service Requirements](#))
- Provider claimed meals without menu documentation
- Actual administrative expenditures not compared to approved budget
- Claiming administrative costs that are not included in the approved budget
- Claiming administrative costs that are not allowable, reasonable or necessary
- Claiming administrative costs without specific prior written approval
- Inaccurate records

Sponsors may appeal financial assessments following the appeal procedure issued with the ODE CNP written notification.

## Section D – Serious Deficiencies and Termination

If ODE CNP determines that the sponsor is out of compliance in an area cited in the Federal regulations as a *Serious Deficiency* and/or the sponsor is significantly out of compliance in a specific area or areas, ODE CNP will notify the program in writing that it is *Seriously Deficient* in the operation of the CACFP. Federal regulations governing *Serious Deficiency* in the operation of the CACFP use some specific terms not found in other places in this manual. The following terms apply to Serious Deficiencies and the *Seriously Deficient* process:

- *Institutions*: The entity (organization) that signs the agreement with the State Agency to operate the CACFP ([State Agency-Sponsor Agreement](#) -Located on the CNPweb packet page)
- *Responsible Principals*: The Sponsor's Authorized Representative, Food Program Coordinator, Financial Office Representative, the institution's Executive Director, Board Chair, For-Profit business owners, managers, officers, board members and any other Principals who were responsible for program operations or should have known about a *serious deficiency*.
- *Responsible Individuals*: Non-principal individuals (including volunteers and contractors) associated with the institution's operation of the CACFP who bear some responsibility for a *serious deficiency*

Following is the regulatory list of grounds for a *Seriously Deficient* determination. Sponsors, their Responsible Principals, and Responsible Individuals will be classified *Seriously Deficient* if any of the following occurs. Note that the regulation language specifies that the list is NOT exhaustive. Refer to [CFR 226.6\(c\)\(3\)\(ii\)](#) for the complete language. The following list briefly describes *Serious Deficiencies* for Participating Institutions:

- (A) Submission of false information on the institution's application, including but not limited to a determination that the institution has concealed a conviction 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 State agency;
- (B) 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 or as a day care home;
- (C) Failure to operate the Program in conformance with the performance standards set forth in paragraphs (b)(1)(xviii) and (b)(2)(vii) of CFR 226.6(c)(3)(ii);
- (D) Failure to comply with the bid procedures and contract requirements of applicable Federal procurement regulations;
- (E) Failure to return to the State agency any advance payments that exceeded the amount earned for serving eligible meals, or failure to return disallowed start-up or expansion payments;
- (F) Failure to maintain adequate records;
- (G) Failure to adjust meal orders to conform to variations in the number of participants;
- (H) Claiming reimbursement for meals not served to participants;
- (I) Claiming reimbursement for a significant number of meals that do not meet Program requirements;
- (J) Use of a food service management company that is in violation of health codes;
- (K) Failure of a sponsoring organization to disburse payments to its facilities in accordance with the regulations at § 226.16(g) and (h) or in accordance with its management plan;
- (L) Claiming reimbursement for meals served by a for-profit child care center or a for-profit outside-school hours care center during a calendar month in which less than 25 percent of the children in care (enrolled or licensed capacity, whichever is less) were eligible for free or reduced-price meals or were title XX beneficiaries;
- (M) Claiming reimbursement for meals served by a for-profit 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;
- (N) Failure by a sponsoring organization of day care homes to properly classify day care homes as tier I or tier II in accordance with § 226.15(f);
- (O) Failure by a sponsoring organization to properly train or monitor sponsored facilities in accordance with § 226.16(d);
- (P) Use of day care home funds by a sponsoring organization to pay for the sponsoring organization's administrative expenses;

- (Q) Failure to perform any of the other financial and administrative responsibilities required by CFR 226.6(c)(3)(ii);
- (R) Failure to properly implement and administer the day care home termination and administrative review provisions set forth at paragraph (I) of CFR 226.6(c)(3)(ii) and § 226.16(I);
- (S) The fact the institution or any of the institution's principals have been declared ineligible for any other publicly funded program by reason of violating that program's requirements. However, this prohibition does not apply if the institution or the principal has been fully reinstated in, or is now eligible to participate in, that program, including the payment of any debts owed;
- (T) 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 State agency; or,
- (U) Any other action affecting the institution's ability to administer the Program in accordance with Program requirements.

### **Seriously Deficient Sponsors**

ODE CNP will notify sponsors in writing if they are Seriously Deficient in the operation of CACFP. A notice will be issued to the organization, the *Responsible Principals* and *Responsible Individuals* associated with the *Serious Deficiency*. *Seriously Deficient Sponsors* and their *Responsible Principals* and *Responsible Individuals* will be issued a notice of *Serious Deficiency*. *Seriously Deficient* sponsors will be provided with the opportunity to take corrective action. At the same time this notice of *Serious Deficiency* is issued, ODE CNP will add the Sponsor to the *Oregon Seriously Deficient List* in addition to the basis for the *Serious Deficiency* determination.

The *Serious Deficiency* notice will specify:

- The specific *serious deficiency(ies)*;
- Actions to be taken to correct the *serious deficiency(ies)*;
- Time allotted to correct the *serious deficiency(ies)*;
- The *Serious Deficiency* determination is not subject to administrative review (appeal);
- That failure to fully and permanently correct the *serious deficiency(ies)* within the allotted time will result in ODE CNP's proposed termination of the institution's agreement and the proposed disqualification of the institution and the Responsible Principals and Responsible Individuals; and
- That the institution's voluntary termination of its agreement with ODE CNP after having been notified that it is *Seriously Deficient* will still result in the institution's formal termination by ODE CNP and placement of the institution and its Responsible Principals and Responsible Individuals on the National Disqualified List.

Within approximately two weeks of the issuance of the notice of *Serious Deficiency* ODE CNP will provide technical assistance to assist the sponsor in determining how to fully and permanently correct

the *Serious Deficiencies*. Technical assistance will be provided in-person and/or via phone, mail, fax and E-mail.

*Seriously Deficient* sponsors must develop and implement a written corrective action plan and submit it to ODE CNP. Additionally, the sponsor must also submit any supporting documents and other corrective action as deemed necessary by the review findings as required by ODE CNP. The corrective action plan, supporting documents and any other required corrective actions must be submitted within the required time frame as outlined in the notice of *Serious Deficiency*.

Until corrective actions and any other requirements established by ODE CNP are fully and permanently implemented, the state agency may not allow sponsors during the *seriously deficient* process to:

- Add providers to its CACFP agreement ; or
- Sponsor other Child Nutrition Programs such as the Summer Food Service Program (SFSP)

### **Serious Deficiency Temporary Deferral**

When the written corrective action plan has been evaluated and approved, ODE CNP staff will conduct an unannounced follow-up review to determine if corrective actions have been permanently and fully implemented. If the follow-up review demonstrates compliance ODE CNP will temporarily defer the serious deficiency determination. ODE CNP will notify the Institution, the named Responsible Principals and Responsible Individuals, in writing, that ODE CNP has *temporarily deferred* the *serious deficiency* determination. The sponsor may continue its participation in the CACFP.

While Temporary Deferral allows the Institution, the Responsible Principals and Responsible Individuals to continue to operate the CACFP within their program, a determination of Serious Deficiency is not rescinded. If a sponsor is determined to be seriously deficient after the Temporary Deferral has been approved, ODE CNP may proceed to propose termination and disqualification. The Institution, its Responsible Principals and Responsible Individuals will not have any further opportunity for corrective action.

### **Proposed Suspension and Suspension**

ODE CNP may propose to suspend the State Agency - Sponsor Agreement rendering the sponsor temporarily ineligible to participate in the CACFP, including program payments.

Suspension would be proposed and applied by ODE CNP pursuant to section 226.6(c)(5)(ii) of the CACFP regulations ([7 CFR 226.6\(c\)\(5\)\(ii\)](#)) *Notice of suspension, serious deficiency, proposed termination, and proposed disqualification*. This section outlines the two *Serious Deficiencies* in which ODE CNP would be required to suspend a Sponsor's participation in the CACFP:

- **Imminent threat to health or safety**— If State or local health or licensing officials have cited a sponsor for a serious health or safety violation, the State must immediately suspend the sponsor's CACFP participation. Or, if ODE CNP determines that there is an imminent threat to the health or safety of participants at a sponsor's site, or that the sponsor has engaged in activities that threaten the public health or safety, ODE CNP must immediately notify the appropriate State or Local licensing and health authorities and take action that is consistent with the recommendations and requirements of those authorities. See [Chapter 1, Section C Health and Safety Requirements](#)
- **False or fraudulent claims**—If ODE CNP determines that an institution has knowingly submitted a false or fraudulent claim; ODE CNP may initiate action to suspend the sponsor's

agreement and must initiate action to terminate the sponsor's agreement and initiate action to disqualify the sponsor and the Responsible Principals and Responsible Individuals. ODE CNP is required to disallow the false or fraudulent claim(s).

When suspension is initiated, it is part of the *Serious Deficiency* process and is only temporary. Suspension does not mean termination. However, the State Agency is mandated to initiate proposed termination of the sponsor's agreement, and initiate action to disqualify the sponsor and Responsible Principals and Responsible Individuals prior to any formal action to revoke the Sponsor's licensure or approval. There is no corrective action available or opportunity for appeal before a suspension is issued.

ODE CNP is prohibited from paying any claims for reimbursement from a suspended sponsor. However, if the suspended sponsor prevails in the appeal of the proposed termination, ODE CNP must pay any claims for reimbursement for eligible meals served during the suspension period.

### **Review of Proposed Suspension**

Sponsors may request a review of the proposed suspension of their Program participation. If a suspension review is requested, the suspension will not take effect until the suspension review official makes a decision on the request.

A suspension review must be requested in writing no later than 10 days after receiving the ODE CNP letter notifying the sponsor of the proposed suspension. If the sponsor fails to request a suspension review by this date, the Sponsor's request will be denied and the suspension will take effect.

### **Proposed Termination and Disqualification**

ODE CNP will move to immediately propose to terminate the State Agency-Sponsor Agreement to participate in the CACFP and propose disqualification of the Institution, its Responsible Principals and Responsible Individuals without any further opportunity for corrective action in the following situations:

- If the responses to corrective actions from a *Seriously Deficient* Sponsor are not approved, submitted, completed and/or implemented by the required due date; or,
- If at a future time ODE CNP identifies the sponsor has not fully and permanently corrected the *serious deficiencies*

ODE CNP will notify the sponsor of its intent to terminate the Sponsor-State Agency Agreement. The *Notice of Intent to Terminate and Disqualify* will specify:

1. ODE CNP is proposing to terminate the institution's agreement and to disqualify the Institution and Responsible Principals and Responsible Individuals;
2. The basis for the actions;
3. That, if the Institution voluntarily terminates its agreement after receiving the notice of proposed termination, the institution and Responsible Principals and Responsible Individuals will be disqualified;
4. The procedure for appeal of the proposed termination, and,
5. Unless participation has been suspended if the sponsor appeals the Intent to Terminate, the sponsor may continue to participate and receive Program reimbursement for eligible meals served until the appeal is completed.



## **Reimbursement**

ODE CNP will continue to pay any valid, unpaid claims for reimbursement for eligible meals served until the program has not appealed the termination within the appeal timeframe, or if appealed, until the appeal outcome has been issued. If ODE CNP prevails in an appeal, ODE CNP will not continue making Program payments. If the sponsor prevails in an appeal, the sponsor may continue filing reimbursement claims. ODE CNP may request claim(s) documentation prior to payment.

If the sponsor does not submit an appeal, the agreement will be terminated on the date given by ODE CNP in the *Notice of Intent to Terminate*.

## **Consequences of Termination and Disqualification**

Termination and disqualification from participation in the CACFP will result in the Institution, its Responsible Principals (board members, directors, officers, and key employees who should have known about the problems) and Responsible Individuals being prohibited from participation in the CACFP or the Summer Food Service Program in other sponsoring organizations.

The Institution, the Responsible Principals and the Responsible Individuals are placed on the National Disqualified List, which is maintained by USDA, disqualifying all those listed from participation in the program anywhere in the United States for seven years or until removed from the list by USDA.

If an outstanding debt is owed to ODE CNP, the debt must be repaid before a disqualified Institution, Responsible Principal or Responsible Individual can be removed from the National Disqualified list.

## **Section E – Appeals**

Whenever ODE CNP takes an action that negatively affects payment or participation in the CACFP, the sponsor has a right to appeal the decision. ODE CNP will send the official appeal procedure to the sponsor whenever an appealable determination is made.

Should sponsors elect to exercise the right to appeal, they must follow the appeal procedure exactly and submit a written request within 15 calendar days from the date of the notice of the appealable action. The following determinations are appealable:

- Denial of an application for participation
- Denial of an application for a specific site
- Denial of all or part of a reimbursement claim
- Demand to submit a revised reimbursement claim
- Demand to recover an overpayment
- Proposed termination of CACFP participation
- Termination of one or more sites from CACFP participation
- Denial to forward to FNS an exception request for payment of a late claim
- Placement on the National Disqualified List



Not all actions are appealable. The following actions are not appealable:

- A determination of *Serious Deficiency*
- A requirement to correct a *Serious Deficiency*
- Imposing a cap on future growth of the sponsor
- Being named individually in findings
- A finding that does not negatively affect payment

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# GLOSSARY

- **2 CFR part 200** - the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards published by OMB. The part reference covers applicable: Acronyms and Definitions (subpart A), General Provisions (subpart B), Post Federal Award Requirements (subpart D), Cost Principles (subpart E), and Audit Requirements (subpart F).
- **7 CFR** - Title 7, *Code of Federal Regulations*—this is the part and/or section of federal regulations that includes regulations for the Child and Adult Care Food Program.
- **Actual Count** - the reimbursement method requiring meal count records by name and category for each meal claimed.
- **Administrative costs** - costs incurred by an institution related to planning, organizing, and managing a food service under the Program, and allowed by the State agency financial management instruction. These administrative costs may include administrative expenses associated with outreach and recruitment of unlicensed family or group day care homes and the allowable licensing-related expenses of such homes.
- **Advanced payments** means financial assistance made available to an institution for its Program costs prior to the month in which such costs will be incurred.
- **Agency** - the general term for any organization that has a Child and Adult Care Food Program agreement with the Oregon Department of Education Child Nutrition Programs (ODE CNP). This includes day care home sponsors, child care centers, and adult day care centers.
- **CACFP** - Child and Adult Care Food Program.
- **Children** - for the purposes of family day care homes, persons 12 years of age and under, children of migrant workers 15 years of age and under, and mentally or physically disabled persons, as defined by the State, enrolled in an agency or a child care facility serving a majority of persons 18 years of age and younger.
- **Claiming percentage** - the ratio of the number of enrolled participants in an institution in each reimbursement category (free, reduced-price or paid) to the total of enrolled participants in the institution. In the case of an outside-school-hours care center that is not required to collect enrollment forms from each participating child, a claiming percentage is the ratio of the number of children in each reimbursement category (free, reduced-price or paid) to the total number of children participating in the program in that center.
- **CNPweb** – application and claiming system used by ODE CNP and sponsoring organizations.
- **Current income** means income received during the month prior to application for free or reduced-price meals. If such income does not accurately reflect the household's annual income, income shall be based on the projected annual household income. If the prior year's income provides an accurate reflection of the household's current annual income, the prior year may be used as a base for the projected annual income.
- **Disability** - The Americans With Disabilities Act (ADA) of 1990, including ADA Amendments Act of 2008 (P.L. 110-325), defines an individual with a disability as a person with a physical or mental impairment that substantially limits one or more major life activities; has a record of such an impairment; or is regarded as having such an impairment. Major life activities include, but are not limited to, caring for oneself, performing manual tasks, seeing, hearing, eating,

communicating, etc. A major life activity also includes the operation of a major bodily function, including, but not limited to, functions of the immune system, digestive system, bowel, bladder neurological system, etc.

- **Disclosure** - reveal or use individual children's program eligibility information obtained through the free and reduced price meal eligibility process for a purpose other than for the purpose for which the information was obtained. The term refers to access, release, or transfer of personal data about children by means of print, tape, microfilm, microfiche, electronic communication or any other means.
- **Disqualified** - means the status of an institution, a responsible principal or responsible individual, or a day care home that is ineligible for participation.
- **Eligible area** For the purpose of determining the eligibility of at-risk afterschool care centers, the attendance area of a school in which at least 50 percent of the enrolled children are certified eligible for free or reduced-price school meals; or For the purpose of determining the tiering status of day care homes, the attendance area of a school in which at least 50 percent of the enrolled children are certified eligible for free or reduced-price meals, or the area based on the most recent census data in which at least 50 percent of the children residing in the area are members of households that meet the income standards for free or reduced-price meals.
- **Enrolled Child** - a child whose parent or guardian has submitted to an institution a signed document which indicates that the child is enrolled for child care. In addition, for the purposes of calculations made by sponsoring organizations of family day care homes in accordance with §§226.13(d)(3)(ii) and 226.13(d)(3)(iii), "enrolled child" (or "child in attendance") means a child whose parent or guardian has submitted a signed document which indicates that the child is enrolled for child care; who is present in the day care home for the purpose of child care; and who has eaten at least one meal during the claiming period.
- **Enrollment Form** - a signed document indicating that a participant is enrolled for day care and includes the planned times of care and meal services that the participant is to receive on a regular basis.
- **Enrolled Participant** - a child who is enrolled for care at a day care facility.
- **Expansion payments** - financial assistance made available to a sponsoring organization for its administrative expenses associated with expanding a food service program to day care homes located in low-income or rural areas. These expansion payments may include administrative expenses associated with outreach and recruitment of unlicensed family or group day care homes and the allowable licensing-related expenses of such homes.
- **Family** - in the case of children, a group of related or nonrelated individuals, who are not residents of an institution or boarding house, but who are living as one economic unit
- **Family Day Care Home (FDCH)** - A facility that is licensed or approved to provide nonresidential child care services in a group or family home setting, or a facility that is approved to participate in the Child and Adult Care Food Program (CACFP) under the Alternate Approval Procedures at 7 CFR Part 226.6 (d) (3).
- **FDCH Provider** - family day care home provider—an approved day care home provider that participates in the Child and Adult Care Food Program under the auspices of a day care home sponsor.

- **FDCH Sponsor** - family day care home sponsor—an approved nonprofit or public agency that has a current, valid program agreement with the Oregon Department of Education Child Nutrition Programs (ODE CNP) to participate as a sponsor in the Child and Adult Care Food Program.
- **FDPIR household** - any individual or group of individuals which is currently certified to receive assistance as a household under the Food Distribution Program on Indian Reservations.
- **Fiscal Year** - a period of 12 calendar months beginning October 1 of any year and ending with September 30 of the following year.
- **Family Style Meal Service** - a type of meal service that allows children to serve themselves from common platters or bowls of food.
- **FNS** - the Food and Nutrition Service of the Department.
- **FNSRO** - the appropriate Regional Office of the Food and Nutrition Service.
- **Food Allergy** – An adverse immune system response to a food that the body mistakenly believes is harmful.
- **Food and Nutrition Service (FNS)** – The agency within the U.S. Department of Agriculture that regulates the CACFP.
- **Food Intolerance** – An adverse food-induced reaction that does not involve the body's immune system.
- **Free meal** - a meal served under the Program to:
  - (a) A participant from a family which meets the income standards for free school meals, or
  - (b) A foster child, or
  - (c) A child who is automatically eligible for free meals by virtue of SNAP, FDPIR, or TANF benefits, or
  - (d) A child who is a Head Start participant, or
  - (e) A child who is receiving temporary housing and meal services from an approved emergency shelter, or
  - (f) A child participating in an approved at-risk afterschool care program, or
  - (g) An adult participant who is automatically eligible for free meals by virtue of SNAP or FDPIR benefits, or
  - (h) An adult who is an SSI or Medicaid participant.
- **Household** -“family”, as defined in §226.2 (“Family”).
- **Household contact** - means a contact made by a sponsoring organization or a State agency to an adult member of a household with a child in a family day care home or 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.

- **Income standards** - the family-size and income standards prescribed annually by the Secretary for determining eligibility for free and reduced-price meals under the National School Lunch Program and the School Breakfast Program.
- **Income to the program** - 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 governing board of directors** - in the case of a nonprofit organization, or in the case of a for-profit institution required to have a board of directors, a governing board which meets regularly and has the authority to hire and fire the institution's executive director.
- **Infant** – A child under 12 months of age.
- **Infant cereal** - 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** - 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** - a sponsoring organization, child care center, at-risk afterschool care center, outside-school-hours care center, emergency shelter 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** - 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.
- **Low-income area** - a geographical area in which at least 50 percent of the children are eligible for free or reduced price school meals under the National School Lunch Program and the School Breakfast Program, as determined in accordance with paragraphs (b) and (c), definition of tier I day care home.
- **Meal Count** – A daily count of meals served to participants by meal type.
- **Meals** - food which is served to enrolled participants at an institution, child care facility or adult day care facility and which meets the nutritional requirements set forth in this part. However, children participating in at-risk afterschool care centers, emergency shelters, or outside-schools-hours care centers do not have to be enrolled.
- **Menus** – A dated list of food, by meal type, served to CACFP participants.

- **Milk** - pasteurized fluid types of unflavored or flavored whole milk, lowfat 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. All milk should contain vitamins A and D at levels specified by the Food and Drug Administration and be consistent with State and local standards for such milk.
- **National disqualified list** - the list, maintained by the Department, of institutions, responsible principals and responsible individuals, and day care homes disqualified from participation in the Program.
- **New institution** - an institution applying to participate in the Program for the first time, or an institution applying to participate in the Program after a lapse in participation.
- **Nonprofit food service** - 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** - the same participants are not maintained in care for more than 24 hours on a regular basis.
- **Notice** - a letter sent by certified mail, return receipt (or the equivalent private delivery service), by facsimile, or by email, that describes an action proposed or taken by a State agency or FNS with regard to an institution's Program reimbursement or participation. Notice also means a letter sent by certified mail, return receipt (or the equivalent private delivery service), by facsimile, or by email, that describes an action proposed or taken by a sponsoring organization with regard to a day care home's participation. The notice must specify the action being proposed or taken and the basis for the action, and is considered to be received by the institution or day care home when it is delivered, sent by facsimile, or sent by email. If the notice is undeliverable, it is considered to be received by the institution, responsible principal or responsible individual, or day care home five days after being sent to the addressee's last known mailing address, facsimile number, or email address.
- **OIG** - the Office of the Inspector General of the Department.
- **Operating costs** - expenses incurred by an institution in serving meals to participants under the Program, and allowed by the State agency financial management instruction.
- **ODE CNP** – Oregon Department of Education Child Nutrition Programs; the state agency office responsible for administering USDA Child Nutrition reimbursement grants.
- **Participants** – Children who are participating in the CACFP.
- **Personal property** - property of any kind except real property. It may be tangible—having physical existence—or intangible—having no physical existence such as patents, inventions, and copyrights.
- **Persons with disabilities** - persons of any age who have one or more disabilities, as determined by the State, and who are enrolled in an institution or child care facility serving a majority of persons who are age 18 and under.
- **Principal** - 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** means the Child and Adult Care Food Program authorized by section 17 of the National School Lunch Act, as amended.
- **Program payments** - financial assistance in the form of start-up payments, expansion payments, advance payments, or reimbursement paid or payable to institutions for operating costs and administrative costs.
- **Provider** – An individual who is licensed or approved to provide child care, and who enters into an agreement with a sponsoring organization.
- **Reduced-price meal** - a meal served under the Program to a participant from a family that meets the income standards for reduced-price school meals. Any separate charge imposed must be less than the full price of the meal, but in no case more than 40 cents for a lunch or supper, 30 cents for a breakfast, and 15 cents for a snack. Neither the participant nor any member of his family may be required to work in the food service program for a reduced-price meal.
- **Reimbursable Meals** – Meals that are served to enrolled participants at a day care facility and that meet USDA nutritional requirements.
- **Reimbursement** – Money paid to day care centers and FDCH providers through their sponsors for eligible meals served.
- **Renewing institution** - an institution that is participating in the Program at the time it submits a renewal application.
- **Responsible principal or responsible individual:**
  - (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.
- **Rural area** - any geographical area in a county which is not a part of a Metropolitan Statistical Area or any "pocket" within a Metropolitan Statistical Area which, at the option of the State agency and with FNSRO concurrence, is determined to be geographically isolated from urban areas.
- **School year** - a period of 12 calendar months beginning July 1 of any year and ending June 30 of the following year.
- **Seriously deficient** -the status of an institution or a day care home that has been determined to be non-compliant in one or more aspects of its operation of the Program.
- **Snack** - a meal supplement that meets the meal pattern requirements specified in §226.20(b)(6) or (c)(4).
- **SNAP household** - any individual or group of individuals which is currently certified to receive assistances as a household from SNAP, the Supplemental Nutrition Assistance Program, as defined in §245.2 of this chapter.



- **Sponsoring Organization (Sponsor)** – Public or private non-profit organizations that are entirely responsible for the administration of the CACFP in sponsored facilities such as FDCHs.
- **Start-up payments** - financial assistance made available to a sponsoring organization for its administrative expenses associated with developing or expanding a food service program in day care homes and initiating successful Program operations. These start-up payments may include administrative expenses associated with outreach and recruitment of unlicensed family or group day care homes and the allowable licensing-related expenses of such homes.
- **State** - any of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Northern Mariana Islands.
- **State agency** - the State educational agency or any other State agency that has been designated by the Governor or other appropriate executive, or by the legislative authority of the State, and has been approved by the Department to administer the Program within the State or in States in which FNS administers the Program, FNSRO. This also may include a State agency other than the existing CACFP State Agency, when such agency is designated by the Governor of the State to administer only the adult day care component of the CACFP.
- **State agency list** - an actual paper or electronic list, or the retrievable paper records, maintained by the State agency, that includes a synopsis of information concerning seriously deficient institutions and providers terminated for cause in that State. The list must be made available to FNS upon request, and must include the following information:
  - (a) Institutions determined to be seriously deficient by the State agency, including the names and mailing addresses of the institutions, the basis for each serious deficiency determination, and the status of the institutions as they move through the possible subsequent stages of corrective action, proposed termination, suspension, agreement termination, and/or disqualification, as applicable;
  - (b) Responsible principals and responsible individuals who have been disqualified from participation by the State agency, including their names, mailing addresses, and dates of birth; and
  - (c) Day care home providers whose agreements have been terminated for cause by a sponsoring organization in the State, including their names, mailing addresses, and dates of birth.
- **State Children's Health Insurance Program (SCHIP)** - the State medical assistance program under title XXI of the Social Security Act (42 U.S.C. 1397aa et seq.).
- **Suspended** - the status of an institution or day care home that is temporarily ineligible for participation (including Program payments).
- **Suspension review** - the review provided, upon the institution's request, to an institution that has been given a notice of intent to suspend participation (including Program payments), based on a determination that the institution has knowingly submitted a false or fraudulent claim.
- **Suspension review official** - the independent and impartial official who conducts the suspension review.

- **Termination for cause** - the termination of a day care home's Program agreement by the sponsoring organization due to the day care home's violation of the agreement.
- **TANF recipient** -an individual or household receiving assistance (as defined in 45 CFR 260.31) under a State-administered Temporary Assistance to Needy Families program.
- **Termination for convenience** - termination of a day care home's Program agreement by either the sponsoring organization or the day care home, due to considerations unrelated to either party's performance of Program responsibilities under the agreement.
- **Tier I Home** – A daycare home that is operated by a provider whose household meets the income standards for free or reduced price meals, as determined by the sponsoring organization based on a completed free and reduced price application, and whose income is verified by the sponsoring organization of the home in accordance with 7 CFR 226.23(h)(6); or A day care home that is located in an area served by a school enrolling elementary students in which at least 50 percent of the total number of children enrolled are certified eligible to receive free or reduced price meals; or A day care home that is located in a geographic area, as defined by FNS based on census data, in which at least 50 percent of the children residing the area are members of households which meet the income standards for free or reduced price meals.
- **Tier II Home** – A licensed or approved FDCH that does not meet the eligibility criteria for the Tier I classification. Tier II rates of reimbursement are lower than Tier I.
- **Tier II mixed home** – A licensed or approved FDCH in which all or some of the children in care are certified eligible for free or reduced price meals.
- **Unannounced review** - an on-site review for which no prior notification is given to the facility or institution.
- **USDA implementing regulations** - include the following: 2 CFR part 400, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; 2 CFR part 415, General Program Administrative Regulations; 2 CFR part 416, General Program Administrative Regulations for Grants and Cooperative Agreements to State and Local Governments; and 2 CFR part 418, New Restrictions on Lobbying.
- **USDA, FNS** - U.S. Department of Agriculture, Food and Nutrition Service—the federal oversight agency for the Child and Adult Care Food Program.
- **WIC** - the Special Supplemental Nutrition Program for Women, Infants and Children. This public health program is designed to improve health outcomes and influence lifetime nutrition and health behaviors in a targeted, at-risk population. Nutrition education is the cornerstone of the WIC Program.