To: Sponsoring Organizations of Day Care Homes

From: Arnette Cowan, Head
Special Nutrition Programs

Subject: Retention of Records Relating to Institutions, Responsible Principals or Responsible Individuals, and Family Day Care Homes on the National Disqualified List; Retention of Records Relating to Serious Deficiencies

The purpose of this memorandum is to clarify Program requirements for the retention of records relating to responsible principals or individuals and family day care homes that have been placed on the CACFP National Disqualified List (NDL). Additionally, this memorandum clarifies recordkeeping requirements relating to day care homes that have been declared seriously deficient, but which take satisfactory corrective actions and are not placed on the NDL. This memorandum supersedes question #44 in guidance that was previously issued (Questions and Answers on the Serious Deficiency Process in the CACFP).

Section 226.10(d) of the regulations establishes retention requirements for records relating to claims submitted by institutions participating in the CACFP. Such records must be retained for three years after the submission of the final claim for the fiscal year to which they pertain. If, at the end of this period, audit findings have not been resolved, the records must be retained until the audit is resolved.

The same principle applies to the retention of records relating to responsible principals or individuals, and family day care homes that have been placed on the CACFP’s NDL. These records are considered to pertain to the entire period that an individual remains on the NDL, since the documentation supporting the disqualification must be available to respond to any challenge to the individual’s inclusion on the NDL, or to request for removal from the NDL. Therefore, consistent with the requirements at §226.10(d) concerning the retention of claims-related records, the sponsoring organization must retain records relating to the disqualification for three years after the responsible principal or individual, or family day care home is removed from the NDL.

Additionally, records relating to any serious deficiency must be retained by the sponsoring organization for three years after the sponsoring organization accepts the corrective action. This timeframe will permit the sponsoring organization to conduct one or more follow-up reviews to ensure that the day care home has fully and permanently corrected the serious deficiency, and will provide the necessary documentation for a proposed termination if it is found that the corrective action has not been permanently implemented.

If you have questions, please contact your regional consultant.

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