



North Carolina Department of Health and Human Services
Division of Public Health – Women’s & Children’s Health Section
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Beverly Eaves Perdue, Governor

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CACFP 09-08

June 15, 2009

To: For-Profit Institutions Participating in the Child and Adult Care Food Program

From: Arnette Cowan, Head
Special Nutrition Programs

Subject: Sponsorship of Affiliated Centers and Unaffiliated Centers

It has come to our attention that some for-profit sponsoring organizations believe that they are sponsoring “affiliated” centers based on the fact that control over those centers is concentrated in the same person or group of people. Shared control by the same person or group of people does not, however, make one center affiliated with another center. Instead, affiliated centers are centers that are part of the same legal business entity (i.e., have the same legal identity) as the sponsoring organization.

7 C.F.R. § 226.2 states: “The term ‘sponsoring organization’ also includes an organization that is entirely responsible for administration of the Program in any combination of two or more child care centers, at-risk afterschool care centers, adult day care centers or outside-school-hours care centers, which meet the definition of For-profit center in this section and are part of the same legal entity as the sponsoring organization.” (Emphasis added.) Additionally, 7 C.F.R. § 226.16(j) states: “A for-profit organization shall be eligible to serve as a sponsoring organization for for-profit centers which have the same legal identity as the organization, but shall not be eligible to sponsor for-profit centers which are legally distinct from the organization, day care homes, or public or private nonprofit centers.”

Going forward, the State Agency will rely on the Federal Employer Identification Number (FEIN) to determine whether a sponsor and its facilities are part of the same legal entity. There may be cases where the same individual or same family controls several centers, but each center may have a different FEIN. In such cases, sameness of legal identity does not exist. As for-profit entities, these unaffiliated centers are unable to participate under the same sponsorship. The unaffiliated centers, however, may apply to the State Agency to participate as independent centers.



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If you are a sponsoring organization of for-profit centers and if all of your centers do not share the same FEIN as the sponsor itself, please contact your regional consultant no later than July 31, 2009. To remain in the Program, your unaffiliated centers will need to participate as independent centers.

If you have questions, please contact your regional consultant.

cc: SNP Staff (via email)
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