



**North Carolina Department of Health and Human Services  
Division of Public Health – Women’s & Children’s Health Section**

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June 15, 2009

CACFP 09-09

Memorandum

**To:** Institutions Participating in the Child and Adult Care Food Program

**From:** Arnette Cowan, Head  
Special Nutrition Programs

**Subject:** Agreements (New and Renewal), Application Updates, and Reimbursement

This memo clarifies policies on agreements, application updates, and reimbursement.

**New and Renewing Institutions** – 7 CFR § 226.2 defines a new institution as 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. The State Agency interprets “lapse in participation” to apply to institutions that have previously participated in the program and have not had a valid agreement with the State Agency for more than 60 days.

The expiration date for CACFP agreements is September 30 (except for an institution whose agreement has been temporarily-extended due to a formal declaration of serious deficiency by the State Agency). To avoid a lapse in participation, renewing institutions must obtain an approved agreement on or before November 30. If an agreement is not approved by November 30, the institution has operated without an agreement for more than 60 days and has therefore had a lapse in participation. Because of the lapse, the institution will be treated as “new” and will be required to complete a “New Institution” agreement and application packet.

Pursuant to 7 CFR § 226.11(a), the State Agency has developed (1) a policy to reimburse new institutions for meals served on and after the effective date of the agreement and (2) a policy to reimburse renewing institutions for meals served beginning with the calendar month preceding the calendar month in which the agreement is executed. There is no policy to provide reimbursement for meals served more than one calendar month prior to the calendar month in which the agreement is executed.

Thus, new institutions (whether participating for the first time or after a lapse in participation) may claim reimbursement for meals served on and after the effective date of the agreement. Renewing institutions (i.e., those that successfully renew their agreements by November 30) may claim reimbursement for meals served beginning with the calendar month preceding the calendar month in which the agreement is executed. For example, a renewing institution that obtains an approved agreement on November 29 may submit a claim for both October and November of the new fiscal year.



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## **Institutions Subject to Application Update Requirements**

In 2007, the State Agency began a transition to employ three-year agreements in the CACFP. Although not required to renew the agreement every year, institutions must submit certain application “updates” on a yearly basis to remain eligible for Program reimbursement, as required by 7 CFR Part 226.

Application updates must be received on or before October 15 of the current fiscal year.

Important: Under 7 C.F.R. § 226.10, valid claims must be submitted no later than 60 days following the last day of the full month covered by the claim. Since “update” information is necessary to ensure the institution’s continued eligibility for the CACFP, the institution may not submit and the State Agency will not pay any new-fiscal-year claims until all “update” information is received and approved. It is therefore critical that institutions submit complete “update” information in a timely fashion to avoid a loss of reimbursement.

For example: Institution “ABC” has an existing agreement, but is still required to submit “update” information to remain eligible for reimbursement. ABC delays the submission of its “update” information until December 30th of the new fiscal year. Ultimately, ABC’s “update” materials are approved on January 15. Because January 15 is not within 60 days of October 31 (the last day of the month covered by the claim), ABC cannot claim reimbursement for the month of October.

If you have questions, please contact your regional consultant.

c: SNP Staff  
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