



**North Carolina Department of Health and Human Services**  
**Division of Public Health – Women’s & Children’s Health Section**  
1914 Mail Service Center • Raleigh, North Carolina 27699-1914  
Tel 919-707-5800 • Fax 919-870-4818

Beverly Eaves Perdue, Governor

Lanier M. Cansler, Secretary

**CACFP 09-17**

**October 23, 2009**

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

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

**Subject:** Change in Ownership, Business Status, or Institution Status

It has come to our attention that some institutions participating in the Child and Adult Care Food Program have made changes to their institution status, business status, or ownership without informing the State Agency. The State Agency must be promptly informed of such changes, and the following requirements apply.

If an institution changes ownership, the previous owner must terminate its agreement with the State Agency. The new owner must attend Potential Institution Training and submit a new application and agreement in order to be considered for approval. Changes of ownership most frequently occur with private for-profit institutions.

If you change the legal status of your business or organization, the agreement for the previous entity must be terminated. A new application and agreement packet for the new entity must be submitted. For example, if your institution was a sole proprietorship but then becomes a corporation, the agreement for the sole proprietorship must be terminated and a new application for the new business must be submitted and approved. This policy applies to all CACFP institutions, regardless of the type of business entities (sole proprietorships, partnerships, limited liability companies, corporations, etc.) involved in the change. This policy also applies to centers that are sponsored by a sponsoring organization.

Another scenario requiring completion of a new agreement and application occurs when an independent center acquires additional centers and seeks to operate as a sponsoring organization. Similarly, if a sponsoring organization seeks to break up and operate as group of independent centers, new agreements and applications must be completed.

If you have questions, please contact your regional consultant.

**c:** SNP Staff (via email)  
Auditors (via email)  
Mary Anne Burghardt (via email)  
Anteasha Farrell (via email)



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Location: 5601 Six Forks Rd. • Raleigh, N.C. 27609-3811

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