



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

March 11, 2011

CACFP 11-09

MEMORANDUM

TO: Sponsoring Organizations of Day Care Homes

FROM: Arnette Cowan, MS, RD, LDN
Supervisor, Special Nutrition Programs

SUBJECT: Child Nutrition Reauthorization 2010: Administrative
Payments to Family Day Care Home Sponsoring

The Healthy, Hunger-Free Kids Act of 2010 (the Act), Public Law 111-296, was signed into law by the President on December 13, 2010. The Act modified the requirements for administrative payments to sponsors of family day care homes (FDCH) in the Child and Adult Care Food Program (CACFP). The purpose of this memorandum is to provide guidance on the implementation of these modifications.

Section 334 of the Act amends section 17(f)(3) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1766(f)) to eliminate the “lesser of” cost and budget comparisons for calculating administrative payments to FDCH sponsoring organizations. Instead, effective October 1, 2010, administrative reimbursements are determined only by multiplying the number of family and group day care homes submitting a claim for reimbursement during the month by the appropriate annually adjusted administrative reimbursement rate.

Sponsoring organizations are still required to submit annual budgets that must be approved by the State agency. Further, sponsoring organizations remain responsible for correctly accounting for costs and for maintaining records and sufficient supporting documentation to demonstrate that costs claimed have been incurred, are allocable to the Program, and comply with applicable Program regulations and policies. State agencies must continue to recover reimbursements that are unallowable or that lack adequate documentation. This new provision will help streamline administrative payments to FDCH sponsoring organizations and reduce reporting requirements. The State agency is currently working to provide reimbursement to those sponsoring organizations that were paid the “lesser of” cost and budget comparisons.

The Act also allows FDCH sponsoring organizations to carry over up to 10 percent of their administrative funds into the next fiscal year. Due to the complexities associated with this provision, however, separate guidance will be provided on implementing the carryover before the end of the current fiscal year.

If you have questions, please contact your regional consultant.

cc: SNP Staff



North Carolina Public Health
Working for a healthier and safer North Carolina
Everywhere. Everyday. Everybody.

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

An Equal Opportunity Employer



