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Division of Public Health

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August 13, 2013

CACFP 13-15

TO: Institutions Participating in the Child and Adult Food Program

FROM: Arnette, Cowan, MS, RD, LDN *Arnette Cowan*
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SUBJECT: Existing Flexibilities in the Child and Adult Care Food Program

This memorandum is intended to highlight flexibilities that already exist at the State level to simplify and improve the delivery of nutrition assistance to low-income children and adult participants through the Child and Adult Care Food Program (CACFP). This memorandum is also intended to emphasize several opportunities to streamline operational provisions, including those related to enrollment documentation, payments, and training. Food and Nutrition Service (FNS) is also offering clarification on additional State agency requirements and other operational issues that may help reduce paperwork for States, institutions, day care homes, and sponsored centers, while continuing to improve CACFP management and integrity.

Enrollment Documentation

CACFP regulations require that institutions maintain documentation for participants enrolled to receive care [7 CFR 226.15(e)(2) and (e)(3)]. Documentation of participant's enrollment must include information on normal days and hours of care and the meals the participant normally receives while in care. However, there is no Federal requirement that a center or day care home must use a specific CACFP enrollment form to record this information. FNS discourages State agencies from requiring a specific form to document enrollment for the purposes of CACFP. Instead, FNS encourages State agencies to accept other types of forms that centers and homes may already use in order to capture the required information. Therefore, if you use alternate forms to capture this information, please send the documents to your assigned regional consultant for prior approval.

Payment Provisions

States have options in assigning rates of reimbursement for centers [7 CFR 226.9(b)]. The regulations require that two alternatives, claiming percentages and blended per meal rates, be established not less frequently than annually. Requiring centers to re-evaluate the percentage or blended rate each month generates unnecessary paperwork. Allowing an annually determined claiming percentage or an annually determined blended rate for centers reduces the paperwork burden. In certain serious deficiency cases,

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however, a monthly reporting requirement could be an appropriate component of a corrective action plan. North Carolina has elected to continue with the monthly claiming percentage as we believe this improves integrity of the program.

Training

CACFP regulations require State agencies to provide sufficient training and technical assistance to institutions [7 CFR 226.6(a)(2)]. States must provide appropriate training prior to an institution's participation, and at least annually thereafter, on content areas established by the State agency. Some States offer training only at limited times and locations, which has restricted Program access for some institutions. In order to meet the training requirement, and reach as many participants as possible, State agencies are encouraged to provide training at multiple venues throughout the year. Online trainings may be provided as well, as long as there is a means to test and verify that staff who require the training have actually received it. Some State agencies provide both training and application assistance online. Offering a variety of training opportunities can accommodate a wider range of institution needs. North Carolina offers multiple training opportunities to include one-on-one training offered throughout the state, webinars, on line training and hands on computer training.

Other Flexibilities

FNS encourages State agencies to take advantage of the flexibilities available in the regulations to simplify CACFP. Examples of flexibilities that State agencies are urged to consider include the following:

- Single agreements:** Each sponsoring organization enters into an agreement with the State agency to assume final administrative and financial responsibility for CACFP operations. Although State agencies may require sponsors to enter into separate agreements for the administration of separate types of facilities [7 CFR 226.16(f)], FNS encourages States to establish a single permanent agreement between the State agency and the CACFP sponsor. North Carolina has established permanent agreements with institutions participating on the CACFP. In addition we have established three year agreements between sponsoring organizations and sponsored centers and permanent agreements between sponsoring organizations and day care home providers.

- Applications:** Institutions participating in CACFP may no longer be required to submit renewal applications [CACFP 19-2011, Child Nutrition Reauthorization 2010: Child and Adult Care Food Program Applications, April 8, 2011]. Instead, sponsors and independent centers must annually certify that they still meet CACFP requirements for continued participation and notify the State agency of any changes to their information. Although State agencies may require additional information, a full renewal application has been eliminated. State agencies must ensure that this simplification has been implemented and are encouraged to limit the amount of additional information collected. Additionally, State agencies are encouraged to review their CACFP applications to ensure that only the necessary information is being collected. Extremely long CACFP initial applications have been cited as a burden and a barrier for participation in CACFP. In North Carolina, for existing institutions participating on the CACFP the application process has been streamlined.

- Infant meals:** Child care centers and day care homes serving infants must offer meals that include breastmilk or an infant formula that meets CACFP requirements [7 CFR 226.20(b)]. In most child care facilities, if a parent declines the formula that is offered, the parent may provide a different brand or type of formula. In some States, child care facilities are required to complete a separate State form documenting the parent's decision. However, a simpler method of documentation, such as a notation on either a meal roster or a list of participating children, would be sufficient and would reduce paperwork.

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Additionally, documentation is unnecessary in Head Start programs, because Head Start policy requires the grantee to purchase the type of formula that accommodates each infant's nutritional needs and feeding preferences. The regulations require that the meal pattern is offered to all enrolled participants. Many institutions/facilities have elected not to claim infants for CACFP reimbursement. In order to ensure that the program is offered to enrolled infants North Carolina requires the Infant Formula Provision form be signed by parents/guardians of enrolled infants.

•**Meal production records:** CACFP institutions must collect and maintain copies of menus and any other food service records required by the State agency [7 CFR 226.15(e)(10)]. Some CACFP State agencies require all participating centers to maintain production records, which is documentation of the type and amount of food produced for a reimbursable meal. They provide a record that the meal served met CACFP meal pattern requirements. The maintenance of production records is not a Federal requirement and is frequently cited by institutions as an administrative burden. Simpler methods of documentation, such as using portion menus and keeping receipts for verification of component types and quantities, are consistent with CACFP regulations and may reduce burden for institutions. A thorough review of menus, invoices, and receipts should allow the State agency to monitor that meal pattern requirements are met on the day of the review and during the selected review period. North Carolina does not require institutions or sponsored facilities to maintain meal production records, however, we do require daily dated menus be maintained on file.

•**Media release:** CACFP institutions must annually provide the information media serving the area from which the institution draws its attendance with a public release announcing the Program's availability, unless the State chooses to issue a statewide media release [7 CFR 226.23(d)]. FNS encourages State agencies to exercise this option and issue a statewide media release on behalf of their sponsors and independent centers.

•**Procurement methods:** Small purchase procedures are relatively simple and informal methods that are appropriate for the procurement of services, supplies, or other property for which the cost is below a Federal or State threshold [7 CFR 226.22(h)]. Although State agencies may impose more restrictive procurement procedures, adopting the simplified acquisition procedures for small purchases, up to the threshold set by 41 U.S.C. 143, would streamline the process for CACFP institutions. The higher Federal threshold is currently set at \$150,000. All procurement transactions, regardless of the amount, must be conducted in a manner that ensures free and open competition.

•**Sign-in and sign-out sheets:** Reconciliation of a facility's meal counts with enrollment and attendance records for a five-day period is a required element of an onsite review [7 CFR 226.16(d)(4)(i)]. However, sign-in and sign-out sheets to document attendance are not CACFP requirements. There are other acceptable methods for verifying attendance, such as head count and billing, which may be less burdensome for centers and homes.

Additional State Requirements

States may prescribe additional operating requirements. State requirements must be consistent with Federal requirements, cannot deny access to CACFP to eligible children, and must be reviewed and approved by the appropriate FNS Regional Office [7 CFR 226.25(b); CACFP 09-2013, Additional State Agency Requirements in the Child and Adult Care Food Program, March 29, 2013].

Some additional State agency requirements, however, increase the complexity of the Program and discourage participation. State agencies are encouraged to review their policies for potential flexibilities and reductions in paperwork requirements.

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If you have questions or need additional information, please contact your regional consultant.

cc: SNP Staff

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