



**North Carolina Department of Health and Human Services
Division of Public Health**
1914 Mail Service Center • Raleigh, North Carolina 27699-1914
Tel 919-707-5800 • Fax 919-870-4818

Beverly Eaves Purdue, Governor

Lanier M. Cansler, Secretary

June 24, 2011

CACFP 11-20

MEMORANDUM

TO: Institutions Participating in the Child and Adult Food Program

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

SUBJECT: Permanent Agreements in the Child and Adult Care Food Program

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 modifies requirements for permanent agreements in the Child and Adult Care Food Program (CACFP). The purpose of this memorandum is to implement these modifications to the CACFP.

Section 331(a) of the Act amends section 17(d)(1) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1766(d)(1)) to require permanent operating agreements between the State agency and institutions participating in the CACFP. Previously, under 7 CFR 226.6(b)(4), permanent agreements were required for SFA sponsors and were optional and granted solely at the discretion of the State for other sponsors.

It is important to understand that describing the agreement as “permanent” is intended solely to convey that the agreement has no predetermined expiration date and does not need to be renewed. Such agreements may be amended as necessary to ensure compliance with all federal requirements. Such agreements may be terminated for convenience, in accordance with Program regulations, by the institution or State agency that is a party to the permanent agreement.



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Permanent agreements shall be terminated for cause by the State agency if the institution fails to adhere to program requirements.

The provisions requiring permanent agreements for the CACFP are retroactive to October 1, 2010. Therefore, all new CACFP agreements between State agencies and institutions entered into on or after October 1, 2010, must be permanent. Additionally, all current annual agreements must be converted to permanent agreements as soon as possible.

Institutions that participate in the CACFP must continue to submit budgets as required under 7 CFR 226.7(g).

Additional provisions in sections 331(b) and (c) of the Act relating to CACFP applications, reviews, and agreements between sponsors and facilities will be addressed in future guidance.

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

c: SNP Staff