

**CHILD NUTRITION PROGRAMS
FAMILY DAY CARE HOME
2016
*Training Manual***



CHILD AND ADULT CARE FOOD PROGRAM

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Washington, D.C. 20250-9410
2. Fax: 202-690-7442
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LIST OF CHILD NUTRITION AND RELATED ACRONYMS

ADA	Average Daily Attendance
CA	Corrective Action
CACFP	Child and Adult Care Food Program
CN	Child Nutrition
CNP	Child Nutrition Programs
DAD	Daily Arrival and Departure
DHS	Department of Human Services
DQ	Disqualified
DROMS	Daily Record of Meals Served
FDPIR	Food Distribution Program on Indian Reservations
FNS	Food and Nutrition Service (USDA)
FSIA	Family-Size and Income Application
FY	Fiscal Year
IEP	Individual Educational Plan
OMB	Office of Management and Budget
RDA	Recommended Dietary Allowance
SA	State Agency (also known as the State Department of Education)
SDE	State Department of Education (also known as the State Agency)
SD	Seriously Deficient
SNAP	Supplemental Nutrition Assistance Program
SO	Sponsoring Organization
TANF	Temporary Assistance to Needy Families
USDA	United States Department of Agriculture
WIC	Special Supplemental Nutrition Program for Women, Infants, and Children

CONSULTANT TERRITORIES (Updated 10/8/15)

Area consultants are available to provide technical assistance to school food authorities (SFAs). Following is a list of the area consultants, assigned counties, and telephone numbers where the consultants may be reached.

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BASIC RESPONSIBILITIES

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BASIC RESPONSIBILITIES OUTLINE

PRIOR TO BEGINNING

1. New sponsors must prove a need to provide benefits to unserved children by submitting a list of 50 providers not participating with a sponsoring agency.
2. Complete and submit an application online for approval at <<https://cnp.sde.ok.gov/cacfp>>.
3. Complete a yearly budget that includes administrative budget numbers.
4. Comply with the Civil Rights Act of 1964.
5. Have tax-exempt status under the Internal Revenue Service (IRS) Code 501(c)(3).
6. Develop sponsoring organization (SO) policies.
7. When not using Oklahoma State Department of Education (the *State Agency*) prototype forms, alternate forms **MUST** include all required information on the prototype forms.
8. Develop materials used for outreach purposes and any instructional materials to be given to providers.
9. Provide training to family day care homes (FDCHs) in Child and Adult Care Food Program (CACFP) responsibilities prior to participation (Examples: pages 123-128).
10. Prove financial viability, administrative capability, and program accountability (see **page 13**).

AFTER BEGINNING OPERATION

1. Institutions participating in the Child Nutrition Programs (CNP) authorized under the NSLA and Child Nutrition Act of 1966 are required to cooperate with United States Department of Agriculture (USDA) officials and contractors conducting evaluations and research. (Reference USDA Policy Memo CACFP-13-2011.)
2. Maintain itemized receipts and invoices, as well as payroll records, to support administrative costs incurred. These costs are incurred for administering the food service program. These records must be ***immediately available for review and audit***.
3. Maintain all records pertaining to the CACFP for three years following the end of the fiscal year and/or until any pending review or audit is resolved.
4. Conduct preapproval visits prior to participation.
5. Use the most currently available data in making the determination of an FDCH's eligibility as a Tier I FDCH. If the provider is not area-eligible based on school data or census, verification of the provider's household income or categorical eligibility must be conducted and documented before approval can be made. The determination will be valid for one year if based on a provider's household income, five years if based on school data, or until more current data is available if based on census data.
6. Change the determination of a Tier I FDCH if information becomes available indicating that an FDCH is no longer in a qualified area.

7. Notify FDCHs qualifying as Tier II homes of their reimbursement options.
8. Be responsible, when requested by a provider qualifying as a Tier II FDCH, for collecting or providing to the Tier II FDCH Family-Size and Income Applications (FSIAs), for determining the eligibility of children and for maintaining the confidentiality of the information collected.
9. Obtain an FSIA on each area-eligible Tier I provider who keeps his or her own children and who wishes to claim their meals for reimbursement. Providers who qualify for free or reduced-price meals may claim for meals served to their own children *only when at least one nonresidential child, enrolled and receiving care in the provider's home, is in attendance and participating in the meal service.*
10. Monitor all homes.
 - a. Sponsors are required to monitor food service operations of providers under their administration. *New FDCHs must have their first review during the first four weeks of operation. Each review must include a meal analysis where children are present and a five-day reconciliation of records. If a provider has been approved for weekend and/or late p.m. snacks, a review must be conducted during those times. If a provider is found to be seriously deficient, the next review conducted must be an unannounced* follow-up review. This review does not count toward the three required reviews.*

There are two different methods in which a sponsor may conduct reviews to comply with USDA requirements:

- Conduct one announced and two unannounced* reviews of program operations to assess compliance with meal patterns, record keeping, and other requirements, with not more than six months elapsing between reviews. Each review must include a meal analysis where children are present. All reviews must be documented and kept on file.
- An SO may do *review averaging* by conducting an average of three reviews per provider per year. If an SO conducts one unannounced review* of a facility in a year and finds no serious deficiencies, the SO may choose not to conduct a third review of the facility that year and may make its second review announced, provided that the SO conducts an average of three reviews of all of its facilities that year and that it conducts an average of two unannounced reviews of all of its facilities that year. When the SO uses this averaging provision and a specific facility receives two reviews in one review year, its first review in the next review year must occur no more than nine months after the previous review. If choosing this method, not more than nine months can elapse between reviews and all seriously deficient providers must have at least three reviews per year. If *review averaging* is selected, the SO must have a written plan with detailed procedures for tracking review. Each review must include a meal analysis where children are present. All reviews must be documented and kept on file.

* Sponsors must ensure that the timing of unannounced reviews is varied in a way that would ensure they are unpredictable to the facility.

- b. All reviews shall include, at a minimum, the evaluation of:
 - CACFP meal pattern
 - Licensing or approval
 - Proof of participation in sponsor training
 - Meal counts
 - Menu and meal records
 - Requirements pertaining to annual enrollment forms
 - Determination whether the home has corrected problems noted on previous reviews
 - Five-day reconciliation that includes:
 - Enrollment form
 - Daily Record of Meals Served (DROMS) form
 - Daily Arrival and Departure Record (DAD) form

11. Conduct annual training sessions discussing all required topics.
12. Sponsor shall enter into a written application and agreement with each FDCH participating that specifies the rights and responsibilities of both parties. This agreement shall be developed by the State Agency. Any addition to the agreement must be submitted to the State Agency for approval.

APPLICATION AND AGREEMENTS

1. ***Sponsor Application/Budget/Management Plan and Agreement***
 - a. Approved application/agreement for participation is permanent and must be updated annually and when there are changes prior to monthly claim submission.
 - b. A copy of the application/agreement must be readily available at the SO.
 - c. The SO must implement procedures as approved in the application/agreement.
2. ***Provider Application/Agreement***
 - a. Complete and submit the information required for each provider.
 - b. All provider information must be readily available in the provider's file at the SO.
3. ***Provider Tiering Determinations***
 - a. Tier I Homes—All children left for care in the home are claimed at the Tier I rate of reimbursement.
 - (1) ***School Data Determinations:*** The provider's home is located in an area served by any school site in which 50 percent or more of the total number of children enrolled are certified eligible for free or reduced-price meals. Documentation is available in the provider's file. The determination is valid for five years.
 - (2) ***Census Data Determinations:*** The provider's home is located in a geographic area in which 50 percent or more of the children residing in the area are members of households that meet the poverty guidelines. Documentation is available in the provider's file. The determination is valid until the next census data becomes available.
 - (3) ***FSIA Determinations:*** The provider's current household meets the income standards or categorical eligibility (*Supplemental Nutrition Assistance Program [SNAP]*, *Temporary Assistance to Needy Families [TANF]*, or *Food Distribution Program on Indian Reservations [FDPIR]*) for free or reduced-price meals. A completed FSIA is on file. The provider's household income or categorical eligibility has been verified by the SO, and verification documentation is also in the provider's file. The determination is valid for the current fiscal year.
 - (4) A list of providers qualifying for Tier I reimbursement based on SNAP eligibility must be submitted by April 1 of each year to the State Agency. The list must include the provider's name and SNAP case number.
 - b. Tier II Homes—The provider does not meet the criteria for a Tier I home.
 - (1) ***Tier II-Higher (II-H) Determinations:*** FSIA's are distributed to the parent or guardian of each household by the SO or the Tier II FDCH provider. All children qualify for free or reduced-price meals based on categorical eligibility or income or expanded categorical eligibility. All children are claimed at the Tier I rate of reimbursement. The determination is valid for the current fiscal year.
 - (2) ***Tier II-Lower (II-L) Determinations:*** No children qualify for free or reduced-price meals. FSIA's may or may not have been distributed to the parent or guardian of each household by the SO or the Tier II provider. All children are claimed at the Tier II rate of reimbursement. The determination is valid for the current fiscal year.
 - (3) ***Tier II-Mixed (II-M) Determinations:*** FSIA's are distributed to the parent or guardian of each household by the SO or the Tier II FDCH provider. Only some of the children qualify for free or reduced-price meals based on categorical eligibility or income or expanded categorical eligibility. Children are claimed at both the Tier I and Tier II rates of reimbursement, depending on whether the parent or guardian of each household qualifies for free or reduced-price meals. The determination is valid for the current fiscal year.

- c. **Family-Size and Income Applications**
 - (1) May be distributed to providers for Tier I home determination or to claim provider's own children.
 - (2) May be distributed to the parent or guardian of each household for individual child determination when the child is enrolled in a Tier II home.
 - (3) Distribute to providers or the parent or guardian of each household with a *Letter to Household*, using current fiscal year form.
 - (4) Valid for current fiscal year (obtain annually at the beginning of each fiscal year).
 - (5) Expanded *Categorical Eligibility* section is for the parent or guardian of children in Tier II homes only.
 - (6) Applications submitted by providers for Tier I home determination must be verified. Proof of current income or SNAP, TANF, or FDPIR benefits must be submitted by the provider and must meet free and reduced-price meal guidelines.
 - (7) Applications submitted by providers wanting to claim their own children must meet free and reduced-price meal guidelines; however, verification is not necessary.
- 4. ***Sponsor/Key Staff Training***
 - a. The SO must conduct annual staff training.
 - b. Documentation of dates, locations, required topics, and staff participating must be maintained by the SO.
- 5. ***Provider Training***
 - a. The SO must conduct annual provider training. It is strongly recommended that training be scheduled throughout the year in various geographic locations.
 - b. Providers must participate in one training session annually. Providers who do not attend a training session at least annually shall be declared seriously deficient and proposed for termination.
 - c. Documentation of dates, locations, required topics, and providers participating must be maintained by the SO.
 - d. Topics at training sessions must include, at a minimum, meal patterns, meal counts, record keeping, claiming, and the reimbursement process.
 - e. The SO must provide certification of training to each provider.
- 6. ***Preapproval Visit Form***
 - a. Use the ***Preapproval Visit Form*** to document the visit.
 - b. Visit must be conducted on new providers prior to the home's participation in the CACFP.
 - c. Complete and maintain in provider's file at the SO.
- 7. ***Monitoring***
 - a. Use the ***On-Site Monitor Review Form*** to document the on-site review.
 - b. Use one of the two required methods to conduct provider reviews.
 - c. Required review elements are:
 - (1) CACFP meal pattern
 - (2) Licensing or approval
 - (3) Participating in or attending sponsor training
 - (4) Meal counts
 - (5) Menu and meal records
 - (6) Updated enrollment forms each year
 - (7) Problems noted on previous reviews and corrected
 - (8) Five-day reconciliation.
 - Enrollment form
 - DROMS
 - DAD
 - d. The SO must show a photographic identification when visiting any provider.
 - e. All visits must be made during the provider's normal operating hours.

SO FINANCIAL REQUIREMENTS/RECORDS

As stated in 7 CFR 226.6(b)(1)(xviii) for new institutions and 7 CFR 226.6(b)(2)(vii) for renewing institutions, to be approved for program participation, an institution is required to comply with three performance standards:

- Financial viability and financial management—An institution must demonstrate that it has adequate financial resources to operate the CACFP on a daily basis. The institution can demonstrate financial viability through:
 - ♦ A budget or management plan in compliance with program regulations and that is reasonable, necessary, and allowable.
 - ♦ Adequate resources for daily operations—able to pay employees and suppliers during periods of program payment interruptions and when fiscal claims have been assessed, if applicable.
 - ♦ Audits or financial statements.
- Administrative capability—An institution must demonstrate the ability to manage operations in compliance with program regulations by ensuring:
 - ♦ The number of staff and type of qualified staff.
 - ♦ The number of monitoring staff in relation to the number of facilities.
 - ♦ Written policies and procedures fulfill program responsibilities and civil rights requirements.
- Program accountability—An institution must demonstrate the ability to ensure program accountability through:
 - ♦ Oversight through an operating governing board.
 - ♦ Written fiscal accountability systems to assure integrity for all funds, property, expenses, and revenues (i.e., accurate processing of claims), and that all expenses are for program-authorized purposes.
 - ♦ Record-keeping—maintains records of operations in compliance with program regulations.
 - ♦ Operations including training, monitoring, classifying, and ensuring administrative costs are within regulatory limits.
 - ♦ Meal pattern and meal service requirements, licensure, health inspections, record-keeping, and claiming only for eligible meals served.

In terms of using the budgetary process to determine that institutions are VCA with emphasis on viability, as per 7 CFR 226.6(f)(1)(iv), *sponsoring organizations must submit an administrative budget with sufficiently detailed information concerning projected CACFP administrative earning and expenses, as well as other nonprogram funds to be used in program administration, for the State Agency to determine the allowability, necessity, and reasonableness of all proposed expenditures, and to assess the sponsoring organization's capability to manage program funds . . .* This means that the State Agency must ensure that its application forms capture the kind of information needed to document compliance with financial management requirements. In some cases, the budgets and management plans need to elicit detailed information which documents that the institution has the resources available, whether from program reimbursements or other sources, to operate the CACFP it is proposing in its application.

Given that not all of the resources for use in support of the CACFP have to come from program reimbursements, the State Agency must also assess how other income sources are contributing to the overall operation of the CACFP. Other income sources may come in the form of:

- Grants and loans.
- Donations of time and money.
- Other federal funds, if permitted.
- Transfers from a profitmaking subsidiary.

This assessment will assist the State Agency in determining an institution's ability to adjust to changing financial conditions as well as by its financial position. This means that, from year to year, the institution must demonstrate that it can adapt and manage a changing financial environment and keep its expenses and revenues in balance. Therefore, it is essential that the State Agency look at all resources available to an institution that will be used for the administration of the CACFP when assessing an institution for approval to operate the CACFP.

1. **Monthly Personnel Record Worksheet**—SOs are required to maintain on a monthly basis. Updates must be entered into the computer as they occur. Anytime there is a change made, the sponsor must print a copy so that changes are tracked.
2. a. **Expenditure Worksheet**
 - (1) Reported costs must be approved on the SO's administrative budget.
 - (2) Record all CACFP administrative costs incurred during the month.
 - (3) Costs must be supported by documentation (i.e., receipts/invoices, rental agreements, payroll, canceled checks).
 - (4) Maintain worksheet on file at SO.
3. **Edit Checks**
The sponsor must edit each provider's record to ensure:
 - a. The provider has been approved to serve the meal types being claimed.
 - b. The number of meals claimed does not exceed the number derived by multiplying approved meal types and shifts times days of operation times enrollment.
 - c. All children being claimed have current, complete enrollment forms on file at the SO and/or the FDCH.
4. **Participating Providers/Claim Documentation**—SOs are required to maintain any provider information that has been added or deleted during the claiming month. Sponsors have access to a list of approved providers through the eClaims system.
5. **Claim for Reimbursement**
 - a. Complete the claim for reimbursement online based on the required records, and submit to the State Agency.
 - b. A copy of the claim must be readily available for reference and auditing purposes.
6. **Payment Notice**—This form is mailed to the sponsors each month.
7. **Payment Voucher/Disbursement Record**
 - a. Indicate the reason for any claim adjustments/meals disallowed.
 - b. Distribute funds to providers within five working days of receipt of reimbursement.

OTHER REQUIRED RECORDS

1. **Building for the Future** fact sheet—proof of reproduction and distribution to all participating providers.
2. WIC brochure—posted in SO office and proof of distribution to all participating providers.
3. Annual organizationwide audit is required for SOs expending \$500,000 or more in federal funds.

SO POLICIES

1. SO must develop its own policies to support its procedures in all areas of CACFP management.
2. Providers must receive annually a copy of the SO policies.
3. There is no restriction on the days of operation if the sponsor has established that it only wants to operate on certain days and the State Agency has approved the request. The sponsor must know that if the State Agency or USDA decides that they need to review files, etc., on a day the sponsor is officially closed, then the sponsor will have to be able to open its doors to allow the State Agency or USDA entrance. The sponsor must be available during the days/hours as approved on the sponsor application.

CIVIL RIGHTS

1. . . . *And Justice for All* poster displayed at the SO.
2. Civil rights complaint-filing form on file.

PROVIDER RECORD KEEPING

1. ***Annual CACFP Enrollment Form***
 - a. Must be completed on all children enrolled.
 - b. Must include normal days, hours, and meals eaten, and be signed by a parent or guardian.
 - c. Documentation must be available for children with special dietary needs and/or milk substitution requests.
2. ***Daily Arrival and Departure Record***
 - a. Must be completed daily on each child in attendance.
 - b. Must support meals reported and claimed by the provider.
3. ***Daily Record of Meals Served***
 - a. Must be completed daily on each child participating in a meal service.
 - b. Must be supported by daily arrival and departure records and *Annual CACFP Enrollment Form*.
 - c. DROMS must be signed and dated by the provider at the end of the month.
 - d. Meals may not be claimed over the home's license capacity per shift. Only two shifts of each meal type are allowed.
 - e. Reimbursement is limited to two main meals and one snack or two snacks and one main meal per child per day.
 - f. All meal types claimed must be approved by the SO.
 - g. All meals claimed must be consumed on-site.
4. ***Weekly Meals Served***
 - a. Must be completed daily for meals served to children aged 1 through 12.
 - b. Record food items served to the children.
 - c. Meals recorded must meet minimum meal pattern requirements.
 - d. ***Record of Donated Products***
 - Should reflect what items were donated, the amount of each donated item, the date of donation, the name of donor, and the telephone number of the donor (one form per donation).
5. ***Infant Meals Served***
 - a. Must be completed daily for each meal served to any infant aged birth through 11 months.
 - b. Use one form per infant.
 - c. Record food items served to the infant.
 - d. Meals recorded must meet infant meal pattern requirements.
 - e. Infant Meal Waiver form must be on file when applicable.
6. ***Cycle Menu***
 - a. Must meet SO guidelines for length of cycle.
 - b. Meals must meet minimum meal pattern requirements.
 - c. Must be on file for each meal type approved.
 - d. A copy must be available for review at the provider's home.
 - e. A copy must be in the provider's file at the SO.

7. ***Child Nutrition (CN) Labels or Product Formulation Statements***

- a. Must be available for preprocessed or combination food items in which ingredients or quantities are not identifiable.
- b. A copy must be available for review at the provider's home in order for the provider to follow the crediting information.
- c. A copy must be available for review at the SO in the provider's file in order for the SO to evaluate the *Weekly Meals Served* form.

8. ***Monthly/Daily Records***

- a. All required current month's records must be available for review at the provider's home.
- b. All past records must be in provider's file at the SO.

9. ***Recruitment***

A sponsor ***CANNOT*** use its own money for rewards for its providers who bring on new providers. While the sponsor may not be using CACFP funds, there is still a conflict of interest issue. The sponsor cannot solicit providers to conduct outreach business for the benefit of the sponsor.