



United States
Department of
Agriculture

Food and
Nutrition
Service

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DATE: February 17, 2012

MEMO CODE: CACFP 08 -2012

SUBJECT: The At-Risk Afterschool Meals Component of the Child and Adult Care Food Program, Questions and Answers

TO: Regional Directors
Special Nutrition Programs
All Regions

State Directors
Child Nutrition Programs
All States

The Healthy, Hunger-Free Kids Act of 2010 (Public Law 111-296) was enacted on December 13, 2010. Among other things, this law expanded the availability for reimbursement of at-risk afterschool meals to Child and Adult Care Food Program (CACFP) participants in all States.

On December 17, 2010, Food and Nutrition Service issued implementation guidance (CACFP 04-2011, *Child Nutrition Reauthorization 2010: Nationwide Expansion of At-Risk Afterschool Meals in the Child and Adult Care Food Program*). This memorandum is follow-up to that guidance and consolidates and updates our previous guidance relating to the at-risk afterschool meals component of CACFP. Therefore, this memorandum supersedes the following memoranda as they pertain to the at-risk afterschool meals component of CACFP:

- *Afterschool Snacks in the National School Lunch Program and the At-Risk Component of the Child and Adult Care Food Program, Edition 1, 2/17/1999;*
- *Afterschool Snacks in the National School Lunch Program and the At-Risk Component of the Child and Adult Care Food Program, Edition 2, 4/9/1999;* and
- *Afterschool Snacks in the National School Lunch Program and the At-Risk Component of the Child and Adult Care Food Program, Edition 3, 12/01/1999.*

In this memorandum, at-risk afterschool “meals” refers to both meals and snacks. State agencies should direct any questions concerning this guidance to the appropriate FNS Regional Office.

Cynthia Long
Director
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Attachments

A. ELIGIBLE PROGRAMS

1. What are the basic eligibility criteria for at-risk afterschool programs?

To participate in the at-risk afterschool meals component of CACFP, a public or private nonprofit organization (including a school) must operate an afterschool program organized primarily to provide care for children after school hours or on weekends, holidays, or school vacations during the regular school year and that:

- provides children with regularly scheduled activities in an organized, structured, and supervised environment;
- includes education or enrichment activities; and
- is located in a geographical area served by a school in which 50 percent or more of the children enrolled are eligible for free or reduced price school meals [7 CFR §226.17a(b)].

Additionally, although Federal law does not require afterschool programs to be licensed, they must meet State or local health and safety standards in order to participate.

[See Question A-14 for information on for-profit eligibility.]

2. Are there any afterschool programs that may not be approved?

Yes. Organized athletic programs engaged in interscholastic or community level competitive sports only (for example, youth sports leagues such as “Babe Ruth” and “Pop Warner” sports leagues, community soccer and football leagues, area swim teams, etc.) may not be approved. However, afterschool programs that include supervised athletic activity may participate provided that they are “open to all” and do not limit membership for reasons other than space or security or, where applicable, licensing requirements. For example, an afterschool police athletic league program that uses sports and recreational activities to provide constructive opportunities for community youth could be approved to participate [7 CFR §226.17a(b)].

3. Does the “open to all” criterion apply to programs other than interscholastic sports programs?

No. Afterschool programs designed to accommodate special needs or that have other limiting factors, may be eligible to participate. They may include, but are not limited to programs targeted to children who have learning disabilities or programs for children who are academically gifted.

4. Do at-risk afterschool programs have to be drop-in or can enrolled programs also participate?

At-risk afterschool programs may be either drop-in or enrolled.

5. Can an at-risk afterschool program charge “tuition,” similar to a regular child care facility?

Similar to non-pricing child care centers, there may be a fee for the care provided or a “tuition” charge, but there can be no separate charge for the food service. Although the regulations do not specifically prohibit or specifically authorize tuition charges, should the State agency encounter a situation where a substantial participation fee is being charged that might adversely affect the ability of needy children to participate, the State agency should consult with their Regional Office prior to approving participation.

6. Does an at-risk afterschool program have to be open to the full age range up to 18?

No. There is no requirement that each facility must serve the full age range of eligible children. For example, a program could operate at a high school and serve only high school age students.

7. Is licensing required for an at-risk afterschool program?

Otherwise eligible afterschool programs do not need to be licensed in order to participate unless there is a State or local requirement for licensing. If there is no State or local requirement for licensing, then afterschool programs must meet State or local health and safety standards. Organizations should check with their State and local health departments to determine the requirements they must meet to operate an afterschool program in their community. Existing afterschool programs that have not had a meal service as part of their program in the past should also check with State and local health department officials to determine whether any additional requirements apply as a result of the service of an afterschool meal or snack [7 CFR §226.6(d)].

8. If the State or locality does not require licensing for after-school centers and has no existing health and safety standards for afterschool centers, can organizations still participate in the program?

No. Meeting State and local health and safety standards is a requirement for participation. In the absence of State or local health and safety standards, State agencies are encouraged to work with the appropriate State and local officials to create such standards.

9. Can a traditional child care center already participating in CACFP qualify for at-risk afterschool meal and snack reimbursements?

Yes. A child care center located in the attendance area of a school in which at least 50 percent of the enrolled children are eligible for free or reduced price meals may qualify for CACFP at-risk afterschool reimbursements for free meals and snacks served to children who attend the center after their school day has ended. Children who do not attend school would continue to participate in the traditional CACFP meal service provided by the center.

10. Are programs that operate on weekends eligible for reimbursement?

Meals and snacks may be reimbursed if they are served on weekends or holidays, including vacation periods (e.g., spring break), during the regular school year only [7 CFR §226.17a(b)].

11. Are programs that operate during summer vacation eligible for reimbursement?

At-risk afterschool meals and snacks may not be reimbursed during summer vacation. Organizations that wish to operate programs during the summer when school is not in session may be eligible to receive reimbursement for meals and snacks through the Summer Food Service Program. In areas where schools operate on a year-round basis (i.e., the regularly scheduled school year is year-round), afterschool programs may receive reimbursement for at-risk meals and snacks through the CACFP all year if these programs are set up to serve children attending the year-round schools [7 CFR §226.17a(b)i].

12. Are there any restrictions on afterschool programs switching from CACFP at-risk during the school year to SFSP during the summer when school is not in session?

Yes, there are restrictions. Question 10 applies to an organization that serves meals and/or snacks to children only through the at-risk afterschool meals component of CACFP during the school year. Such an organization could serve meals to all children through age 18 under SFSP during the summer months, subject to approval of their SFSP application by the State agency.

However, a traditional child care center that also serves at-risk afterschool meals and/or snacks (i.e., the center has enrolled pre-school children in care during the day, but also serves at-risk afterschool meals and/or snacks to school-age children) must comply with FNS Instruction 782-4, rev. 3. This instruction states that traditional child care centers may only claim some or all of their meals under SFSP during the summer when there is a substantial change in program activities or a significant increase in enrollment. Institutions approved to participate in both the CACFP and the SFSP must ensure that the same children are not served meals in both programs, and separate records must be kept for each program.

Generally, institutions may not establish separate entities using separate tax identification numbers to serve the same children under different child nutrition programs in order to avoid the program restrictions or to earn higher reimbursement. However, if there is a legitimate need for a separate organization and it meets the requirements in the preceding paragraph, then it may be approved to participate in SFSP if it meets SFSP eligibility criteria.

If a traditional child care center did not substantially change its activities or significantly increase its enrollment during the summer months, it could only receive reimbursement through SFSP for meals served to children who participate in the afterschool program during the school year. Such a center would receive free, reduced price, and paid reimbursement through CACFP for all other children enrolled for care (through the age of 12). Per FNS Instruction 782-4, rev. 3, the determination to either approve the institution for participation

in both the CACFP and SFSP or solely for the CACFP should be based on the institution's program objectives.

13. What are the differences between Outside-School-Hours Care Centers (OSHCC's) and at-risk afterschool care centers in CACFP?

Requirement	OSHCC's	At-risk Afterschool Centers
Eligible Institutions	Public, private nonprofit, or qualifying for-profit centers [7 CFR §226.19(a)].	Public, private nonprofit, or qualifying for-profit centers [7 CFR §226.17a(a)].
Licensing	Licensing not required unless there is a State or local requirement for licensing. If there is no State or local requirement for licensing, then centers must meet State or local health and safety standards [7 CFR §226.6(d)].	Licensing not required unless there is a State or local requirement for licensing. If there is no State or local requirement for licensing, then centers must meet State or local health and safety standards [7 CFR §226.6(d)].
Determination of Reimbursement	Program may operate in any area. Individual free and reduced-price applications are collected to determine level of reimbursement (free, reduced price, and paid) [7 CFR §226.19(b)(7)(i)].	Program must be located in a geographic area served by a school in which 50 percent or more of the children enrolled are eligible for free or reduced price meals. All meals and snacks are reimbursed at the free rate [7 CFR §226.17a(i)].
Age of Participants	12 years of age and under, children age 15 and under who are children of migrant workers, and persons of any age who meet the definition of "Persons with disabilities" [7 CFR §226.19(b)(3)].	School-age children through age 18 (or 19 if the individual turns 19 during the school year) and persons of any age who meet the definition of "Persons with disabilities" [7 CFR §226.17a(c)].
Type of Meals Eligible for Reimbursement	Breakfast, snack, and supper. Lunch may be served during school vacations during the regular school year [7 CFR §226.19(b)(4)].	Snack and supper. Breakfast or lunch may be served in lieu of supper on weekends, holidays, or during school vacations during the regular school year [7 CFR §226.17a(k)].
Number of Reimbursable Meals	Maximum of two meals and one snack or two snacks and one meal per child per day [7 CFR §226.19(b)(5)].	Maximum of one snack and one meal per child per day [7 CFR §226.17a(k)].
Meal Patterns	CACFP meal patterns [7 CFR §226.20(c)].	CACFP meal patterns [7 CFR §226.20(c)].

Requirement	OSHCC's	At-risk Afterschool Centers
Meal Service Periods	School days, weekends, and holidays; no weekend-only programs [7 CFR §226.19(b)(4)].	School days, weekends, and holidays during the regular school year [7 CFR §226.17a(b)].
Time Restrictions for Meal Service	None.	Meals must be served after school, except on weekends and holidays, when meals may be served at any time of day, as approved by the State agency [7 CFR §226.17a(m)].

14. Are for-profit centers eligible to receive reimbursement for at-risk afterschool meals?

Yes. For-profit centers may receive reimbursement for at-risk afterschool meals if they:

- meet all at-risk afterschool eligibility requirements (see Question A1); and
- are eligible to receive reimbursement as a for-profit center through the traditional child care component of CACFP [7 CFR §226.17a(a)(2)(ii)].

Therefore, if a for-profit child care center meets the criteria for a *For-profit Center* set forth in the regulations (7 CFR §226.2), it may also receive reimbursement for afterschool meals through CACFP if it operates an afterschool care program. To be eligible for CACFP reimbursement, 25 percent of the children in the traditional child care component (enrolled or licensed capacity, whichever is less) must be eligible for free or reduced priced meals or eligible for compensation under title XX of the Social Security Act. Children who only participate in the at-risk component may not be considered in calculating the 25 percent of children in care. In addition, in order to claim reimbursement in any calendar month, the center must meet the 25 percent criterion in that month.

In determining a for-profit center's eligibility for afterschool meal and/or snack reimbursement, only the enrollment/licensed capacity of the traditional child care component of the center should be considered in calculating whether the center meets the 25 percent criterion. For example, a for-profit child care center has 32 pre-school children enrolled for care and also operates an afterschool care program for school-age children. The center would be able to claim reimbursement through CACFP for meals served under the traditional child care component and for afterschool snacks and meals served to school age children participating in the afterschool program in any month in which at least 8 of the 32 pre-school children are title XX recipients or are eligible for free or reduced price meals [7 CFR §226.17a(a)].

15. Can a school system participating in both the School Breakfast Program (SBP)/ National School Lunch Program (NSLP) and the at-risk component of the CACFP receive reimbursement under CACFP for a meal and snack served to children who also received breakfast and lunch under the SBP/NLSP?

Yes. Based on the nature of the at-risk afterschool meals component of CACFP, the expectation is that most of the participating children attend school and receive free or reduced price meals. With that in mind, schools that serve children meals through NSLP are eligible for reimbursement for a meal and a snack served to children in an at-risk afterschool program through CACFP. However, schools may not serve children an afterschool snack through NSLP and then serve those same children an additional snack through CACFP.

16. Can extended day schools participate in the at-risk afterschool component?

A school operating longer than the traditional school day may be eligible for afterschool snack reimbursement through the NSLP or CACFP, provided that it operates a school day that is at least one hour longer than the minimum number of school day hours required for the comparable grade levels by the local educational agency in which the school is located.

17. Are there policies in place to streamline participation for School Food Authorities?

Yes, the following policies are in place in an effort to streamline participation of School Food Authorities (SFAs) in the at-risk component of CACFP:

- SFAs that are already successfully operating NSLP do not need to submit a separate CACFP management plan.
- State agencies that administer the NSLP and CACFP are required to enter into a single agreement with SFAs with respect to the operation of any combination of the Child Nutrition Programs. Therefore, an addendum to the existing agreement is sufficient for SFAs interested in participating in the at-risk afterschool meals component of CACFP.
- State agencies may consider requests to align the monitoring requirements of the CACFP at-risk afterschool meal sites with those of NSLP.
- SFAs may choose to use the NSLP and SBP meal pattern or the CACFP meal pattern.
- Schools that participate as at-risk afterschool care centers in CACFP do not have to meet any additional health and safety requirements. Participation in the NSLP or SBP requires a health and safety inspection. Therefore, participation in NSLP or SBP is proof of meeting health and safety requirements for CACFP [CACFP 08-2008 *Streamlining At-risk Afterschool Meal Participation for School Food Authorities Currently Participation in the National School Lunch Program*, June 6, 2008].

- 18. Can RCCIs (like juvenile justice facilities or boarding schools in which all children are eligible for free meals be eligible for three meals and two snacks per day if they enroll in both the NSLP (breakfast, lunch and snack) and the CACFP (supper and snack)?**

Generally, programs that serve only residential children (with the exception of homeless shelters) are not eligible to participate in CACFP. However, a residential facility may be eligible to serve at-risk afterschool meals if it has non-residential care programs and these programs offer afterschool education and enrichment programs for nonresidential children [7 CFR §226.2 definitions; At-risk afterschool care center].

- 19. Must an afterschool program receiving reimbursement for afterschool meals "manage" the day-to-day activities of the afterschool care program?**

No. An institution may contract with another organization to provide enrichment or educational activities for the afterschool program. However the sponsor or independent center must retain administrative and fiscal responsibility for the meal service. Furthermore, the sponsor or independent center must be the party that enters into the agreement with the State agency and must assume responsibility for meeting all meal service requirements, including ensuring that meals are served in eligible sites.

- 20. Must the educational and enrichment activities offered by a non-profit afterschool program be provided by non-profit entities?**

No. For-profit entities may provide the educational or enrichment activities for non-profit afterschool programs participating in the at-risk afterschool meals component of CACFP as a non-profit entity.

B. AREA ELIGIBILITY FOR REIMBURSEMENT PURPOSES

- 1. How does an at-risk afterschool site qualify as area eligible?**

An at-risk afterschool site qualifies as area eligible if it is located in the attendance area of a public school (i.e., elementary, middle, or high school) at which at least 50 percent of the students are eligible for free or reduced price meals [7 CFR § 226.17a(i)].

- 2. May afterschool programs use private or charter school free and reduced price enrollment data to qualify as area eligible?**

If an afterschool program site is located in a private or charter school, then that site may use the free and reduced price enrollment data for that private or charter school, or free and reduced price enrollment data for the public school in whose attendance area the private or charter school is located, to qualify as an area eligible site. However, since most private and charter schools do not have defined attendance areas, an afterschool program may not use private or charter school free and reduced price enrollment data for purposes of determining

area eligibility unless the afterschool program is actually located in the private or charter school.

3. How should organizations operating at-risk afterschool care programs obtain free and reduced price school enrollment data?

These organizations should contact the State agency that administers the CACFP. The State agency receives free and reduced price enrollment data on an annual basis from the State agency that administers the NSLP. Section 210.19(f) of the NSLP regulations requires each State agency that administers the NSLP to annually provide to the CACFP State agency a list of all public schools in the State in which 50 percent or more of the enrolled children have been determined eligible for free or reduced price meals [7 CFR §226.17a(i); CACFP 5-2011, *Area Eligibility for Family Day Care Homes*, December 22, 2010].

4. Can school district wide data be used to establish area eligibility or must data from individual school buildings be used?

Only data from the appropriate individual school may be used to establish a site's area eligibility [7 CFR §226.17a(i)].

5. If a school district has mandated busing of students, can free and reduced price school data be used to determine a site's area eligibility?

Yes. If an at-risk afterschool care program is located in an area that has mandated busing of students, site eligibility based on school data may be determined using one of two methods. The Program sponsor may determine eligibility based on the enrollment/attendance data obtained for:

- the school the children attend and are bused to, or
- the school the children would have attended were it not for the school's busing policy (the neighborhood school where the children live).

Area eligibility may be determined as described above only if the school food authority is able to document the percentage of children eligible for free and reduced-price meals at each school before and after students are reassigned. The same method of determining site eligibility must be used for all sites participating under that Program sponsor to avoid duplicate counting [CACFP 02-2011, *Effects of Busing on Area Eligibility in Child and Adult Care Food Program*, December 6, 2010].

6. If schools have unassigned attendance areas (i.e., parents can choose where to send their children from among several schools), what data should be used to determine a site's area eligibility?

In school districts with unassigned school attendance areas, at-risk afterschool care programs located in school buildings should use the free and reduced price enrollment data from that particular school for purposes of determining area eligibility. We will work with State

agencies on a case-by-case basis to determine the area eligibility of at-risk afterschool care programs operating in non-school sites in areas with unassigned attendance areas. State agencies should contact their FNS Regional Office if they encounter this situation.

7. If area eligibility was determined by a school that closes, may census data be used instead?

No. Census data may not be used to establish area eligibility for the at-risk afterschool component of CACFP. CACFP regulations require that, except for emergency shelters, at-risk afterschool programs must be located in the attendance area of a public school (an elementary, middle, or high school) where at least 50 percent of the students are eligible for free or reduced price meals under the NSLP [7 CFR §226.17a(i)].

8. Is there a particular month of school data that must be used?

Under the CACFP, NSLP data collected in the most current October, or another month selected by the NSLP State agency, must be used to establish a site as area eligible. For example, if a site applies for area eligibility in August 2011, the most current October data would be October 2010. If a site applies for area eligibility in December 2011, the most current October data would be October 2011 [7 CFR § 226.17a(i)2].

9. How long is a determination of a site's area eligibility valid?

A site's area eligibility determination made under CACFP is valid for 5 years. The State agency may determine the date in the fifth year in which the next five-year cycle of area eligibility will begin [7 CFR §226.17a(i)3].

10. Do emergency shelters have to prove that they are located in a low-income area to participate?

Emergency shelters that operate afterschool programs with education or enrichment activities for homeless children and youth during the school year may participate without regard to location [7 CFR §226.2 Definitions]. Emergency shelters may only claim a total of three meals or two meals and one snack, per child per day.

11. I run an afterschool program that is not in an eligible area, but 50 percent of the children I serve receive free and reduced price school meals? Is my center eligible to participate in the program?

No. CACFP regulations require that, except for emergency shelters, at-risk afterschool programs must be located in an eligible area to participate. There is no alternate method, such as relying on census data or individual income eligibility, to determine area eligibility.

C. APPLICATIONS/AGREEMENTS

1. How do interested schools and organizations participate in these programs?

The State agency must establish application procedures for interested organizations. At a minimum, the application must enable the State agency to determine whether the eligibility criteria for CACFP are met. Additionally, the application must identify all at-risk afterschool program sites and provide documentation of the attendance area within which the applicant sites are located. If an institution is approved, it must enter into a permanent agreement with the State agency that specifies the terms and conditions of participation. An addendum to the existing agreement is sufficient for SFAs interested in participating in the at-risk afterschool meals component of CACFP if the NSLP and CACFP are administered by the same State agency (see question A-17) [7 CFR §226.17a(e)(2)].

2. For a school or organization that is already participating in CACFP and now wants to provide at-risk afterschool meals and/or snacks, does its agreement with the State agency need to be amended?

Yes. Once the State agency approves an institution's application to provide at-risk afterschool meals and/or snacks, the agreement with the State agency needs to be amended to reflect this additional meal service and its requirements. This can be accomplished by signing a simple addendum to the CACFP or NSLP agreement.

D. REIMBURSEMENT AND RECORDKEEPING

1. What are the reimbursement rates for CACFP at-risk afterschool meals and snacks?

All meals and snacks are reimbursed at the free rate. The reimbursement rates are adjusted annually every July 1. Current reimbursement rates are available on the CACFP website: <http://www.fns.usda.gov/cnd/care>.

2. How does a child care center that uses claiming percentages or blended rates claim free meals and/or snacks for its at-risk afterschool meals component in CACFP?

All organizations participating in the at-risk afterschool meals component of CACFP must submit separate meal counts for the at-risk afterschool meals program. This includes child care centers that are currently participating in CACFP and using claiming percentages or blended rates. State agencies are responsible for amending their reimbursement forms and payment systems to recognize a separate entry for at-risk afterschool meals and snacks.

3. What records are required to receive reimbursement for meals and snacks served?

In the at-risk afterschool component of CACFP, the following records must be maintained:

- Daily attendance rosters, sign-in sheets, or with State agency approval, other methods which result in accurate recording of daily attendance;

- Records of the number of snacks and/or meals prepared or delivered for each meal service;
- The number of at-risk afterschool snacks and/or meals served to participating children for each meal service; and
- Menus for each at-risk afterschool snack and meal service [7 CFR § 226.17a(o)].

4. Are point-of-service meal counts and production records required?

Point-of-service meal counts are not required in the at-risk afterschool component of CACFP. However, accurate meal count records must be maintained. Additionally, production records are not required by USDA, however, some States may require them. If States do require production records, this would be an additional State agency requirement that must be approved by the Regional Office. Documentation of compliance with the meal pattern and records of all necessary, reasonable, and allowable costs, including food are required under CACFP [7 CFR §226.17a(o)].

E. ELIGIBLE CHILDREN

1. Are at-risk afterschool meal and snack reimbursements restricted to children ages 13-18?

No. Reimbursement may be claimed for meals and snacks served to all children through the age of 18 in eligible afterschool programs. Reimbursement also may be claimed for those children who turn age 19 during the school year [7 CFR § 226.17a(c)].

Additionally, States may not restrict participation in the at-risk afterschool meals component of CACFP to children of a certain age. However, individual afterschool programs may limit the ages of the children they serve. [See Question A-6.]

2. Are at-risk afterschool programs eligible to receive reimbursement for meals and snacks served to pre-primary children?

Meals and snacks served to children who are attending classes of preprimary grade in a school (for example, Head Start or Even Start) and who are participating in an eligible afterschool program after their regularly scheduled school program may be claimed for reimbursement. For example, serving lunch and an afternoon snack to children after half-day kindergarten or a half-day Head Start Program is allowable because their school day has ended.

F. MEAL SERVICE REQUIREMENTS

- 1. Must a certain amount of time elapse between meal services when schools or organizations operate other nutrition programs in addition to the at-risk afterschool meals component of CACFP?**

There are no time restrictions for meal or snack service and no specific amount of time has to pass between the meal services. However, States may implement policies regarding minimum time elapsed between snacks and meals. (Note that this would be an additional State requirement requiring Regional Office approval.)

- 2. Is there any length of time tied into the conclusion of school and the service of a meal or snack?**

No. There is no federally mandated time limit between the end of school and service of the meal or snack.

- 3. Is there a particular time of day that CACFP at-risk afterschool programs must serve meals and snacks on weekends and holidays?**

No. Although meals and snacks served on weekdays when school is in session must be served after the child's school day has ended, meals and snacks served through the at-risk afterschool component of CACFP on weekends or holidays may be served at any time of day with State agency approval [7 CFR § 226.17a(m)].

- 4. If an afterschool program serves both a supper and snack under CACFP, does the snack need to be served before the supper?**

No. We recognize some children, especially those who have eaten lunch early in the day, arrive at the center hungry and ready to eat a full meal. In such cases, it may be more appropriate to serve an early supper and then serve a snack later in the evening.

- 5. Are afterschool programs permitted to serve two snacks instead of one meal and one snack?**

The Richard B. Russell National School Lunch Act clearly states that institutions participating in the at-risk afterschool meals component of CACFP may be reimbursed for only one meal and one snack. However, because serving an additional snack in lieu of a meal would not exceed the maximum meal benefit allowed by law and therefore would not increase cost to the program, State agencies are authorized to waive this requirement on a case-by-case basis and allow institutions to serve two snacks instead of one meal and one snack. This will allow State agencies to provide additional flexibility to institutions that may not have the capacity to serve a full meal. We strongly encourage institutions to provide a full meal whenever possible in order to meet the nutritional needs of the children served.

6. Is there an offer-versus-serve (OVS) option for at-risk afterschool meals and snacks?

OVS is available only to schools or facilities sponsored by or receiving meals from schools, but may not be used for snacks [CACFP 23-2011, *Clarification on the Substitution of NSLP Meals and the Use of Offer Versus Serve and Family Style Meal Service*, May 17, 2011]. However, family style meal service is an option available to all CACFP institutions.

7. May USDA Foods be used for at-risk afterschool meals and snacks?

Yes. Afterschool programs may use USDA Foods in their afterschool snack and/or meal service. Please note, however, that the school or institution will not earn additional entitlement foods as a result of serving afterschool snacks. The amount of entitlement foods earned will continue to be based solely upon the number of lunches or suppers served to children.

8. When an at-risk afterschool program operates during the week and on weekends, do the weekday and weekend meal service times need to be the same?

No. Meals and snacks served through CACFP on weekends or holidays may be served at any time of day as approved by the State agency.

9. May two different fruits or vegetables be used to make up one meal component?

Yes. Two different fruits and/or vegetables may be served, but they only meet the requirement of one component. Therefore, at snack another component must be served with the fruits and vegetables. For example, celery stalks, carrot sticks, and peanut butter could be a reimbursable snack. However, celery sticks and carrot sticks alone would not.

10. Must institutions participating in multiple Child Nutrition Programs (for example, NSLP, CACFP, and SFSP) keep their food inventories separate?

There is no Federal requirement that food inventories used for the various Child Nutrition Programs be stored separately. However, accurate records must be maintained for the individual programs, including allocation of food costs between multiple programs.

11. May all meals be served cold? Is there any requirement for a certain number of hot meals?

There is no Federal requirement that any meals be served hot. All requirements for meals are outlined in 7 CFR §226.20. It is possible to meet the meal pattern requirements without serving hot meals.

12. Are there any resources available to assist in menu planning?

Yes. The Healthy Meals Resource System is an online information center for USDA Child Nutrition, <http://healthymeals.nal.usda.gov>. The Healthy Meal Resource System provides

several menu planning tools including; food buying guides, calculators, cycle menus, and recipes. Other resources are available on FNS' Team Nutrition Website, <http://teammnutrition.usda.gov>.

G. MONITORING

1. What are the monitoring requirements for sponsors receiving reimbursement for snacks and/or meals in at-risk afterschool programs?

Sponsors of sites participating in the at-risk afterschool meals component of CACFP must review their sites at least three times each year. At least two of the three reviews must be unannounced; and one of the unannounced reviews must include observation of a meal service. The timing of the unannounced reviews must be varied so that they are unpredictable to the sponsored facilities. Also, at least one of these reviews must be made during each site's first four weeks of Program operations, and not more than 6 months may elapse between reviews [7 CFR §226.16(d)(4)(iii)].

2. What are the State administrative review requirements for at-risk afterschool institutions?

In CACFP, State agencies must comply with 7 CFR §226.6(m) in conducting reviews of those institutions that have agreements with the State agency to provide at-risk afterschool meals or snacks. According to these regulations, State agencies must annually review 33.3 percent of all CACFP institutions, including those operating at-risk afterschool programs. At least 15 percent of the required reviews must be unannounced. Additionally, the current regulations require that State agencies ensure that:

- Independent centers and sponsors of 1 to 100 facilities are reviewed at least once every 3 years; a review of such sponsors must include reviews of 10 percent of the sponsors' facilities.
- Sponsors with more than 100 facilities must be reviewed at least every 3 years. These reviews must include reviews of 5 percent of the first 1,000 facilities and 2.5 percent of the facilities in excess of 1000.
- Reviews of newly participating sponsoring organizations with five or more child care facilities must be completed within the first 90 days of Program operations.

In conducting these reviews, State agencies must ensure that sponsors are operating eligible at-risk afterschool care programs (i.e., programs that provide children with regularly scheduled activities in an organized, structured, and supervised environment), and is complying with all Program requirements.



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Agriculture

Food and
Nutrition
Service

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DATE: March 19, 2012

MEMO CODE: CACFP 10 - 2012

SUBJECT: Family Day Care Home Administrative Reimbursements: Options and Carryover Reporting Requirements

TO: Regional Directors
Special Nutrition Programs
All Regions

Regional Directors
Financial Management
All Regions

State Directors
Child Nutrition Programs
All States

The Healthy, Hunger-Free Kids Act of 2010, Public Law 111-296, modified the calculation of administrative cost reimbursements to sponsors of family day care homes (FDCH) in the Child and Adult Care Food Program (CACFP) and permitted sponsors to carry over to the next Federal fiscal year (FY) a maximum of 10 percent of administrative reimbursements received, but not used in the current fiscal year. This memo clarifies options regarding administrative reimbursements and provides guidance for FY 2011 on reporting and managing the unused administrative reimbursements FDCH sponsors may "carry over" into the next FY.

FDCH Administrative Reimbursements

Effective October 1, 2010, administrative reimbursements are determined 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. An implementation memorandum, *Child Nutrition Reauthorization 2010: Administrative Payments to Family Day Care Home Sponsoring Organizations*, was issued on December 22, 2010 (CACFP 06-2011), to provide additional guidance regarding this provision.

As noted in our earlier memorandum, sponsors 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.

The intent of this provision was to simplify how FDCH sponsor administrative reimbursements are determined. However, it has come to our attention that under the “homes times rates” calculation, sponsors that use none or only a small percentage of their administrative reimbursement would have to account for and return significant funds to the State agency each year.

To avoid this situation, a State agency may, at a sponsor’s request, calculate administrative payments based on the sponsor’s actual expenses. This means that the sponsor would receive varying monthly reimbursements based on the sponsor’s actual expenses each month. Note that the total reimbursement provided under this option during a FY may not exceed the reimbursement that would have been earned under the “homes times rate” calculation.

Sponsors who choose to receive administrative payments based on actual expenses will not be able to carry over funds into the next FY. Carryover funds are available only when there is a difference between the administrative payments and actual expenses. When the sponsor has opted to receive administrative payments based on expenses, the administrative payment will equal the sponsor’s expenses so there would be no remaining funds to carry over. This option is intended to mitigate the accounting burden for both the State agency and sponsor that can be associated with returning Program funds.

It should be clearly noted, however, that a State agency is not required to provide sponsors with this option. Additionally, State agencies may not require sponsors to accept an ongoing administrative reimbursement method that results in reimbursements lower than the “homes times rate” calculation required by law.

It should also be noted that sponsors are not required to claim administrative reimbursements. Some sponsors, such as those associated with the military, may have other sources of funds and may wish to decline administrative reimbursement entirely. However, State agencies should review the sponsor’s budget to ensure that the sponsor has the financial capability to properly administer the Program without the administrative funds.

Reporting Administrative Reimbursement Carryover

Sponsors with administrative funds remaining unspent at the end of the FY may carry over up to 10 percent of their administrative reimbursement to the next FY; remaining funds over and above the 10 percent limit must be returned to the State agency. However, sponsors are not required to carry over any unspent administrative funds. As indicated in the April 8, 2011, memorandum, *Child Nutrition Reauthorization 2010: Carry Over of Unused Child and Adult Care Food Program Administrative Payments* (CACFP 18-2011), any unexpended funds remaining at the end of the FY, which could be carried over into the next fiscal year, may be returned to the State agency at the sponsor’s option.

The following guidance on reporting and funds management is for FY 2011 only. Additional guidance regarding the ongoing obligation and tracking of these funds for FY 2012 and subsequent years will be issued separately.

Due to the delay in providing guidance on the treatment of the CACFP sponsor administrative carryover funds, the Accounting Division has agreed to **extend closeout until March 28, 2012**, to allow State agencies time to ensure their final FNS-777s reflect the following instructions:

- State agencies are not required to recover all administrative funds remaining unspent at the end of the FY since sponsors are permitted to carry over up to 10 percent of the administrative funds. State agencies should only reduce previously reported outlays on the final FY 2011 FNS-777 for the recovered amounts; any funds carried over should already be reported as an outlay.
- In order to identify the amount carried over, State agencies must report the statewide aggregate amount carried over in the "REMARKS" section of the final FNS-777. They must do this by including the statement below. If no FY 2011 sponsor administrative funds are carried forward for FY 2012 use, then the State agency must enter "zero."

CACFP FDCH sponsor administrative reimbursement carryover amount: \$ _____

Funds Management Procedures

The sponsor administrative carryover funds may be used over a two-year period, whereas the rest of the Child Nutrition Block account has a period of performance of one year. Therefore, a new account created solely for funds with a two-year period of performance has been set up for CACFP sponsor administrative funds. To simplify this process for FY 2011, the following steps will be taken:

1. FNS will provide each Regional Office with the total amount of carryover sponsor administrative reimbursement reported in the remarks section of its States' final FY 2011 FNS-777, as described above. These funds will be provided to the ROs using allowance code N1002. ROs will set up a new Grant Award Document (GAD) and Letter of Credit (LOC) for **FY 2011** using obligation code **N1050**. The GAD and LOC should be set up with appropriation year 2011, program year 2011, and a two-year period of performance. This code will be used for all CACFP sponsor administrative funds from this point forward.
2. Because the carryover amounts have already been drawn down from the FY 2011 Child Nutrition Block account, State agencies will have to perform a "book entry" in

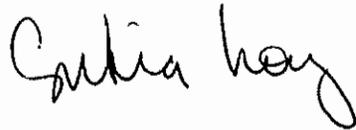
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the Automated Standard Application for Payments (ASAP) system. This book entry will restore the carryover funds to the FY 2011 Child Nutrition Block account and simultaneously decrease the balance of the new FY 2011 CACFP Sponsor Admin account. FNS will then recover and deobligate the balance of the FY 2011 Child Nutrition Block funds. This will ensure that all carryover funds are expended from the new two-year account.

State agencies should direct any questions concerning this guidance to the appropriate Food and Nutrition Service Regional Office.

A handwritten signature in black ink that reads "Cynthia Long". The signature is written in a cursive, flowing style.

Cynthia Long

Director

Child Nutrition Division