



# Georgia Dept of Early Care and Learning

BRIGHT FROM THE START

<b>POLICY</b>	<b>No.: CACFP/02-18</b>	<b>Effective Date:</b> 2/1/2002
		<b>Revised:</b> 10/1/2020
		<b>Revision Effective:</b> 10/1/2020

**SUBJECT:** CACFP Recordkeeping Requirements

**LEGAL AUTHORITY:** 2 C.F.R. § 200.302; 7 C.F.R. § 226.2, 7 C.F.R. § 226.10(d), 7 C.F.R. § 226.14(a); 7 C.F.R. § 226.15(e); and O.C.G.A. § 20-1A-4.

**Cross Reference/See Also:** DECAL Policy No. CACFP/17-39 - *Financial Recordkeeping in the CACFP and the SFSP*

## I. PURPOSE

The purpose of this policy is to explain and clarify the recordkeeping requirements under the Child and Adult Care Food Program (CACFP).

## II. APPLIES TO

This policy applies to all institutions participating in the CACFP.

## III. DEFINITION(S)

**"Institution"** means a sponsoring organization, childcare center, at risk afterschool care center, outside-school-hours care center, emergency shelter, or adult day care center which enters into an agreement with the State agency to assume final administrative and financial responsibility for Program operations.

**"Records"** means those Program-related documents in either hardcopy or electronic form.

**"Review"** means an evaluation of an institution's overall administration, financial responsibility, and operation of the Child and Adult Care Food Program (CACFP). This includes, but is not limited to, an examination of all CACFP records and an observation of a meal service by the Georgia Department of Early Care and Learning (DECAL), DECAL contractors, the United States Department of Agriculture (USDA), or any of their representatives.

**"Seriously Deficient"** means the status of an institution or a day care home that has been determined to be non-compliant in one or more aspects of its operation of the Program.

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"Sponsor" or "Sponsoring organization" means a public or private nonprofit organization that is entirely responsible for the administration of the CACFP in:

- (a) One or more day care homes;
- (b) A childcare center, emergency shelter, at-risk afterschool care center, outside-school-hours care center, or adult day care center which is a legally distinct entity from the sponsoring organization;
- (c) Two or more childcare centers, emergency shelters, at-risk afterschool care centers, outside-school-hours care center, or adult day care centers; or
- (d) Any combination of childcare centers, emergency shelters, at-risk afterschool care centers, outside-school-hours care centers, adult day care centers, and day care homes. The term "sponsoring organization" also includes an organization that is entirely responsible for administration of the Program in any combination of two or more child care centers, at-risk afterschool care centers, adult day care centers or outside-school-hours care centers, which meet the definition of For-profit center in this section and are part of the same legal entity as the sponsoring organization.

### III. POLICY

#### A. Audits/Compliance Reviews, Record Maintenance, and Production

Institutions participating in the Child and Adult Care Food Program (CACFP) are subject to audits or compliance reviews designated by DECAL, DECAL contractors, USDA, or any of their representatives. The reviews may be announced or unannounced. The requested CACFP records will only be accepted and reviewed if made available upon request and retrieved from the location as stated within the "Recordkeeping" section of the online Management Plan. Complying with this policy ensures the integrity of the institution's record maintenance system and eliminates the possibility of improper revisions and alterations to the records. Further, DECAL acknowledges that those institutions maintaining hardcopy records, may, on occasion, need to remove records from the center/site for personal audit purposes. In these instances, DECAL strongly encourages institutions to electronically scan or copy documents needed for personal audit so that in the event of a review, the originals will be made available upon request. Likewise, for those institutions maintaining their records electronically, DECAL strongly advises that such files be electronically 'backed up' in the event that such records are electronically lost, damaged, or stolen.

Participants in the CACFP are required to maintain all records relating to Program administration, financial responsibility, and operation at the location indicated in their Management Plan of their online application for the current year plus a period of three years after the date of submission of the final claim for the fiscal year to which they pertain. Failure to maintain Program records in accordance with Federal regulations, DECAL policy, and/or guidance shall result in a review finding, as well as a meal reclaim for the period in question (the records cover), a cost disallowance for the period in question (the records cover), and/or the institution being declared Seriously Deficient.

Specifically, institutions are required to clearly indicate *where* their Program records are physically located, within the "Recordkeeping" section of their Management Plan. Institutions who maintain their records electronically must include language in their Management Plan indicates such records are "electronically maintained" rather than located a physical location. The Management Plan is part of the organization's online application and is submitted to DECAL. Should the location of records

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ever change, the institution’s Program Contact or designated principal must update the Recordkeeping section of the Management Plan at the time in which the records are moved, both physically and electronically.

All accounts and records pertaining to the Program shall be made available upon request to DECAL, DECAL contractors, USDA, or any of their representatives for audit or review at a reasonable time and place. “Available upon request” means immediately retrievable and accessible to DECAL, DECAL contractors, USDA, or any of their representatives. If an extenuating circumstance neither affecting nor giving the appearance of affecting Program integrity, delays the retrievability and/or accessibility of Program records, DECAL *may* allow additional time to retrieve and access such records. However, in these extenuating circumstances, an extension of time **shall not exceed (2) hours** from the time in which the request was made. The determination to grant an up to (2) hour extension due to extenuating circumstances lies within the sole discretion of DECAL.

Failure to maintain and provide Program records in compliance with Federal regulations, DECAL policy, and/or guidance shall be grounds for denial of reimbursement for meals served during the period covered by the records in question, and for the denial of reimbursement for costs associated with such records.

**B. Program Alternate**

In the event the institution’s Program Contact or designated principal cannot be present at the center/sponsor's office to provide the requested records, the Program Contact or designated principal must select an alternate CACFP-trained individual to access the records in his/her absence. The individual selected to serve as the Program Alternate must be listed within Question #1’s response within the “Recordkeeping” section of the Management Plan contained online within GA ATLAS.

Further, an institution’s Program Contact or designated principal must adequately train their Program Alternate on how to effectively retrieve Program records. This also includes providing him or her with the tools needed to retrieve them. For example, an organization electing to store its records in a locked cabinet must train his/her Program Alternate on where the key is stored. Likewise, for those organizations electing to store records electronically, it must provide its Program Alternate with the requisite computer password. It is the Program Contact’s responsibility to update the Management Plan when the Program Alternate changes and to do so within (30) calendar days of the change.

In the absence of the Program Contact or designated principal, failure to provide a Program Alternate as indicated within the online Management Plan and on the day of the review, will result in an automatic meal reclaim for the period covered by the records in question, a cost disallowance for the period covered by the records in question, and/or the institution being declared Seriously Deficient. The absence of the Program Contact or designated principal should neither hinder the availability and accessibility of records nor prevent the reviewer from conducting the review.

**C. Required Records**

The following list includes, but is not limited to, the records that must be maintained **at the place indicated in the “Recordkeeping” section** of the institution's Management Plan located online:

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- Agreement for Participation (signed)
- Application materials (including an administrative/operating budget and a Management Plan)
- Records from a financial management system that provide detailed information regarding CACFP income and expenses separately from other income and expenses
- Copies of all claims for reimbursement with supporting documentation including, but not limited to, Title XX or Title XIX documentation
- Bank statements to demonstrate CACFP expenditures
- Copies of menus
- Copies of previous monitoring reports conducted either by DECAL or the sponsoring organization
- Documentation of training attended and/or conducted
- Monitoring records (if applicable and including household contact documentation and review averaging documentation)
- DECAL policy, policy memoranda, policy guidance, and correspondence
- All records below that directly support claims for reimbursement:
  - a. Roster (for institutions operating both a traditional childcare program and an At-Risk afterschool program. (Note: A roster is not required if the institution solely operates the At-Risk afterschool program. Rather, daily attendance records are required.))
  - b. Documentation used to determine income eligibility for the participants (*i.e.*, IES forms)
  - c. Daily and Monthly Attendance Records
  - d. Enrollment documentation for each child which includes information on each child's normal days and hours of care and the meals normally received while in care (must be updated annually and signed by a legal parent or guardian)
  - e. Weekly Menu and Food Service Records (including infant meal records)
  - f. Meal Count Form (DCH Providers)
  - g. Copies of invoices and receipts for food purchases using CACFP funds (Special consideration regarding receipts printed on thermal paper - To ensure receipts printed on thermal paper remain legible, institutions must, upon receiving such receipts, make a copy of the receipt and attach the original to the copy. This will help prevent the loss of information that can occur when thermal receipts begin to fade.)
- Copies of financial records (source documents) including, but not limited to:
  - a. Time sheets signed by the employee and institution and/or sponsoring organization official, time distribution reports (when applicable), fully disclosed payroll records, cost allocation, copy of executed contracts, compensation plan, and management plan for all labor charged to the Program
  - b. Mileage logs/documentation
  - c. Staff distribution worksheet
  - d. Monthly Record of Costs (Operating/Administrative and if applicable)
  - e. Copies of invoices and receipts for all purchases using CACFP funds
  - f. In addition to the items listed above, institutions must also maintain financial records in accordance with Federal regulations and DECAL policy guidance and instructions. This includes but is not limited to: DECAL's *Budget Guidance Manual* and DECAL Policy No. CACFP/17-39 and Policy No. SFSP/17-20 – Financial Recordkeeping in the CACFP and the SFSP.

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- g. YTD Administrative Fee Reconciliation documentation (for Administrative Sponsors only and uploaded by **November 30<sup>th</sup>** in GA ATLAS after the close of each Program year)
- h. Procurement documentation when procuring goods and services (See DECAL Procurement Manual and Checklist).

**D. Sponsored Facility Program Records**

Facilities of sponsoring organizations are required to keep all applicable Program records on file at the facility for the current year plus a period of three years as previously described. Copies of all records must be forwarded to the sponsoring organization and must be kept on file, and available for review at all times by DECAL, DECAL contractors, USDA, or any of their representatives.

Sponsors are strongly encouraged to clearly label and file all records (preferably arranged by month) for each sponsored facility to ensure records are easily accessible and available upon request.

Day care home providers are required to maintain and have on hand and ready for review all CACFP records that support their Program activities and meal service for the current month, plus the previous twelve months of participation and operation. Day care home providers may store the remaining two years of records offsite. However, such records must still be in the control of the provider and accessible within a reasonable amount of time. If no offsite storage is used, providers must retain three years of records (plus the current year), onsite, at the physical address of the day care home facility.

**E. Sponsored Facility Financial Records & Procurement Records**

Sponsoring Organizations of Affiliated and Unaffiliated Centers Only: Similar to a sponsor’s financial recordkeeping requirements, sponsored centers must also maintain adequate financial and procurement records from the list as previously described and where applicable. All required financial and procurement records must be kept on file at the facility for the current year plus a period of three years. **Note:** Day care home providers are exempt from maintaining financial records or records pertaining to **operational** costs.

Specifically, sponsoring organizations of affiliated and unaffiliated centers must at a minimum ensure all of the following:

- (1) Evidence of sponsor’s routine monitoring and evaluation of the use of monthly CACFP reimbursement at the facility level is well documented;
- (2) Each facility only uses Program reimbursement on allowable costs;
- (3) Each facility submits monthly documentation that must include the monthly record of operating costs and all supporting documentation (e.g., receipts, invoices, bank statements, payroll records, general ledger, chart of accounts, check registry, etc.);
- (4) Each facility operates a non-profit Food Service Account (FSA); and
- (5) Facilities’ procurement of goods and services follows the guidance outlined within DECAL’s Procurement Manual and Checklist.

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As a best practice, sponsoring organizations may require facilities to label and store all records (by month) so that records are easily accessible and made available upon request. Failure to have clearly labeled records could lead to reclaimed meals, disallowed costs, and/or a Seriously Deficient determination.

Additionally, Federal regulations do not provide for a grace period for newly recruited or approved sponsored facilities (centers or day care homes). Therefore, all Federal regulations, State policy, and guidance pertaining to recordkeeping will apply and will be enforced immediately once a sponsored facility is approved and a claim for reimbursement is submitted.

#### **F. Loss or Destruction of Records**

In the event of a disaster (*e.g.*, hurricane, tornado, flood, fire, earthquake or other disaster-type event), evidence of enrollment documentation, eligibility, and meal counts are required.

When DECAL required records are either partially or fully destroyed (either physically or electronically), organizations must notify DECAL of the following within a reasonable period of time:

- List of records destroyed
- The circumstances that led to the loss(es);
- The dates of the loss(es) and types of loss(es); and
- The approximate age of the record(s) that were destroyed.

In the event of a loss of records, sponsored facilities must promptly notify their sponsor, and sponsors must in turn, promptly notify DECAL. In addition to providing notification, organizations must also provide DECAL with an official written record of the disaster or official documentation of the loss. Acceptable documentation may include, but are not limited to, a valid insurance claim or police report. DECAL will document the losses for future review purposes. Moreover, institutions may utilize *DECAL's Loss or Destruction of Records Form* when documenting the loss or destruction. To obtain a copy of the form, refer to "CACFP Forms" on the DECAL website.

As a best practice, organizations are strongly advised to electronically save and 'back-up' copies of important claim data (*e.g.*, enrollment data and meal counts) on a memory stick or jump drive. This could be particularly helpful in preventing data loss due to flooding or power outages.

#### **G. Field Trips and Closures**

Institutions must notify DECAL of all center/site closures and/or field trips away from the center during meal service times via completion and submission of the *CACFP Field Trip & Closure Notification Form*. Complete the field trip section only if the trip affects the approved mealtimes and location of meal service and if these meals will be claimed. Institutions must ensure all meals taken on field trips are maintained at the proper temperature. Trained personnel must remain on-site to serve children not attending field trips. Meals served on field trips without submitting notice to DECAL are ineligible for reimbursement. The form must be emailed/faxed to the respective Application Specialist and uploaded in the "Attachment List" section of the GA ATLAS online application as part of annual renewal application updates or at least three (3) calendar days before the field trip date and/or closure date.



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#### **H. Use of Alternate Forms**

Institutions must use the required DECAL issued forms to administer and operate the CACFP. Institutions may use alternate forms but only with prior approval from DECAL. At a minimum, alternate CACFP forms must include the same elements and/or information listed on the DECAL issued form. The alternate form must not change the form's intent of capturing an institution's administrative or operation-specific detail and must be approved prior to its use. The following is a list of forms that must be used unless approval for an alternate form was granted:

- Roster
- Income Eligibility Statement (unless participating in another Federal Food Program where the use of an income application is already used)
- Weekly menu and food service record (including infant meals)
- At-Risk Weekly Menu and Food Service Record
- Monthly record of costs (operating and/or administrative)
- All application forms provided by DECAL

Requests to use alternate forms must be submitted to the institution's assigned Technical Assistance Coordinator. Use of alternate forms without DECAL's approval could result in a meal reclaim or disallowed costs for the period covered by the records in question. The Alternate Approval Letter and the alternate forms must be maintained on file and made available upon request.

As a reminder, all records to support any claim(s) must be retained for the current year plus a period of three years after the date of submission of the final claim for the fiscal year to which they pertain.

#### **I. Additional State agency Requirement(s)**

Nothing contained within this Policy constitutes an 'additional requirement' imposed by DECAL within the meaning of 7 CFR 226.25(b). However, should DECAL wish to impose any such additional requirement(s), a request will be sent to USDA for approval pursuant to Federal regulations.

### **V. PROCEDURE(S)**

In order to comply with this policy, institutions must complete the following steps:

**Step 1:** Create recordkeeping procedures to ensure all required Program records are complete, accurate, securely maintained, and available for review upon request.

**Step 2:** Ensure records are kept at the location as indicated in the organization's online Management Plan within GA Atlas under the "Recordkeeping" section. Should the location of records ever change, the institution's Program Contact or designated principal must update the Recordkeeping Section of the Management Plan at the time in which the records are moved.

**Step 3:** Specify within Question #1's response within the "Recordkeeping" section of the online Management Plan, who will serve as the organization's Program Alternate in the event the organization's designated Program Contact/Designated Principal cannot be present at the

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center/sponsor's office to provide the requested records. It is the Program Contact's responsibility to train the Program Alternate and update the Management Plan when the Program Alternate changes within (30) calendar days of the change.

**Step 4:** Maintain records in accordance with Federal regulations, DECAL policy, and guidance. CACFP records must be maintained for the current year plus a period of three years after the date of submission of the final claim for the fiscal year to which they pertain. *If a review is in progress, CACFP records may be required to be maintained for a longer period of time.*

**Step 5:** Maintain records in accordance with Federal regulations, DECAL policy, and guidance in the event of extraordinary circumstances (e.g., disasters, power outages, computer crashes, field trips, closures, etc.).

As previously stated, failure to maintain records in accordance with Federal regulations and/or DECAL policy, or failure to provide access to records that directly support any claim(s) for reimbursement, shall result in a meal reclaim for the period covered by the records in question, disallowed costs for the period covered by the records in question, and/or the institution and its responsible principals and individuals being declared Seriously Deficient.

## VI. COMMENT(S)

Any questions concerning this policy should be directed to the Policy Administrator at (404) 651-8193.