



Georgia Department of Early Care and Learning

BRIGHT FROM THE START: Georgia Department of Early Care and Learning

Nutrition Services

POLICY	No.: CACFP/02-19	Effective Date: 2/1/2002
		Revised: 10/1/2015
		Revision Effective: 10/1/2015

SUBJECT: Change of Ownership in the Child and Adult Care Food Program (CACFP)

LEGAL AUTHORITY: 7 C.F.R. § 226.6 (f)(1); 7 C.F.R. § 226.25(b); O.C.G.A § 20-1A-4(3)

Cross Reference/See Also: DECAL Policy CACFP/00-8; CACFP/00-10; CACFP/01-18

I. PURPOSE

The purpose of this policy is to describe the procedures institutions must follow when they undergo a change of ownership.

II. APPLIES TO

This policy applies to all institutions participating in the Child and Adult Care Food Program (CACFP).

III. DEFINITION(S)

"Change of ownership" means, for purposes of this policy only, a change in the owner(s) of an institution resulting from the lease, purchase or transfer of rights to own and/or operate an institution from one legal entity to another legal entity.

IV. POLICY

It is the policy of Bright from the Start: Georgia Department of Early Care and Learning (DECAL) to require institutions participating in the Child and Adult Care Food Program (CACFP) to notify DECAL when such institutions have undergone any change(s) of ownership. Pursuant to CACFP regulations, DECAL enters into a program agreement with each institution that participates in the CACFP. Under the Program agreement, the institution accepts final financial and administrative responsibility for management of an effective food service. No institution may participate in the CACFP without having a Program agreement. When a change

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of ownership occurs, the agreement with the previous owner(s) is no longer valid and the new owner must apply to participate in the CACFP and secure a new Program agreement with DECAL.

Institutions must notify DECAL within five (5) business days of the completion of a change of ownership. For purposes of this policy, a change of ownership is deemed completed when the right to own and/or operate the institution(s) has been officially transferred or given to the new owner and the new owner has become responsible for the operation of the institution(s). New owner(s) of an institution(s) is (are) considered new applicants and must apply for participation in the CACFP. Failure of either the previous owner to notify DECAL of the change or the new owner to submit an application for participation in the CACFP, while continuing to claim reimbursement under the previous owner's agreement, may result in one or both organization's termination from participation and repayment of funds to DECAL.

Along with completing an application for participation and meeting applicable requirements for participation, the new owner(s) must ensure the individual in charge of the daily operation of the CACFP, the delegated Principal, or the CACFP Program Contact appointed by the Principal, has attended DECAL CACFP Orientation and Program Training, whether the owner or some other person in the institution. In addition, the delegated Principal/Program Contact must be a legal employee of that entity (See DECAL Policy No. CACFP 02-26 - Designation of the Program Contact in Organizations Participating in the CACFP, October 1, 2015).

V. PROCEDURE(S)

When a transfer or change of ownership of an institution occurs, the previous and new owner(s) must complete the procedures indicated under the appropriate section below in order to comply with this policy:

Previous Owner

The previous owner must notify DECAL of the change of ownership by completing and submitting to DECAL the Voluntary Closure Form (Change of Ownership section). This form terminates the previous owner's program agreement with DECAL and indicates the last month the previous owner will submit a claim for reimbursement. DECAL will not reimburse the previous owner for meals served after the date of sale. This form must be completed by the previous owner and submitted to DECAL. A copy of this form must also be provided to the new owner.

New Owner

If the individual who will be placed in charge of the daily operation of the CACFP, the delegated

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Principal/Program Contact, has previously attended CACFP Orientation and Program Training, the new organization in most cases will not be required to attend program training. Additionally, in some cases where the delegated Principal/Program Contact for the CACFP has not attended Orientation and Program Training but has had continual service within the CACFP program as the person primarily responsible for CACFP operations at the institution before the change of ownership, and the institution was in good standing with Program regulations and policies during the time of participation, then the organization may not be required to attend Orientation and Program Training prior to application. In either case, a new Delegation of Authority Form must be completed and submitted to DECAL. DECAL may waive training based on the individual's knowledge, experience, and past performance in the CACFP. In these situations, the institution may do the following:

- Contact DECAL to request the Change of Ownership Application to participate in the CACFP.
- Complete and submit the change of ownership application.

It is strongly recommended that the new owner(s) submit the change of ownership application for program participation within a sufficient amount of time to avoid delays in the new owner(s) submitting claims for reimbursement. In no case may the new owner(s) submit a claim for reimbursement without an executed program agreement with DECAL nor while the previous owner is eligible to submit claims for reimbursement.

DECAL recommends the new delegated Principal attend the two day CACFP Orientation and Program Training to become familiar with the Program, applicable regulations and instructions, and DECAL policies and procedures regardless of whether the Principal will be directly involved in the day to day operation of the CACFP. The new owner must, however, ensure the institution's CACFP delegated Principal/Program Contact has either attended DECAL Program Training or has been verified by DECAL to have the Program knowledge and experience in order for the institution to remain in compliance with CACFP regulations and policies.

DECAL reserves the right to require attendance at Orientation and Program Training when the delegated Principal/Program Contact for the CACFP has not attended the two day training, or the institution with which the person previously worked in the CACFP was not in good standing or showed deficiencies in Program operation.

If the delegated Principal/Program Contact of the CACFP has not attended the CACFP Orientation and Program Training, or if training is not waived, this individual must register for and attend training. Program requirements and application instructions will be provided.

Institutions undergoing a change of ownership are considered new applicants and must meet all application requirements. Approval to participate will be effective for the beginning of the

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month in which a satisfactory pre-operational visit has taken place per DECAL CACFP Policy 8 and the procedures pertaining to new applicants. Approval to participate for change of ownerships may not always coincide with the date the transfer of ownership occurred.

VI. COMMENT(S)

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