



Georgia Department of Early Care and Learning

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Nathan Deal
Governor

Amy M. Jacobs
Interim Commissioner

MEMORANDUM

To: School Food Authorities (SFAs) Transitioning or Applying to the Child and Adult Care Food Program (CACFP)

From: ⁹⁸Falita S. Flowers, Nutrition Services Director

Date: August 20, 2014

Subject: Streamlined Application Processes in the CACFP for School Food Authorities (SFAs)

Legal Authority: United States Department of Agriculture Memoranda CACFP 04-2013, CACFP 12-2013, SFSP 13-2013

Definitions: "Institution" means a sponsoring organization, child care 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 (7 C.F.R. §226.2).

"Sponsor" means a public or private nonprofit school food authority, a public or private nonprofit residential summer camp, a unit of local, municipal, county or State government, a public or private nonprofit college or university currently participating in the NYSP, or a private nonprofit organization which develops a special summer or other school vacation program providing food service similar to that made available to children during the school year under the National School Lunch and School Breakfast Programs and which is approved to participate in the Program. Sponsors are referred to in the Act as "service institutions" (7 C.F.R. § 225.2).

The purpose of this memorandum is to notify School Food Authorities (SFAs) of the available flexibilities when either transitioning, or applying to the Child and Adult Care Food Program.

Schools located in low-income areas that participate in the National School Lunch Program (NSLP) are well-positioned to offer meals and snacks through their afterschool programs. Although Congress did not authorize the service of at-risk meals through NSLP, streamlining the requirements for schools

participating in CACFP to be more consistent with those of the NSLP will provide significant administrative relief without compromising the integrity of the Program.

Agreements

State agencies that administer more than one Child Nutrition Program are required to enter into a single agreement with SFAs with respect to the operation of any combination of the Child Nutrition Programs. Therefore, if the same State agency administers both CACFP and NSLP, SFAs interested in offering afterschool meals through CACFP are required only to sign an addendum to the existing NSLP agreement. In States where NSLP and CACFP are administered by different State agencies, the SFA must submit applications to and enter into an agreement with both State agencies.

Application

SFAs applying to the CACFP shall be required to complete a CACFP application. Information specific to CACFP that Bright from the Start must collect as part of the application process includes, but is not limited to:

- *Documentation of eligibility.* CACFP State agencies must obtain documentation indicating that each school that will be offering at-risk afterschool meals through CACFP offers educational or enrichment activities and is a school where at least 50 percent of the children are eligible for free or reduced price school meals or is located in the attendance area of an eligible school as required by 7 CFR §226.17a(a).
- *Preference for commodities/cash in lieu of commodities.* The CACFP State agency must determine whether the SFA prefers commodities or cash in lieu of commodities unless the State agency has received approval to provide cash-in-lieu of commodities for all institutions. **Please Note:** Bright from the Start issues cash in lieu for lunch and supper meals only.
- *Ineligibility for other publicly funded programs.* SFAs must provide a list of all Federal programs in which they participate. Additionally, the SFA must certify that during the last seven years, the SFA and the individual responsible for the food service have not been:
 - declared ineligible to participate in any other publicly funded program by reason of violating that program's requirements or provide documentation that it was later reinstated or determined eligible for the program; or
 - convicted of any activity that indicated a lack of business integrity.
- *Certification.* The SFA must submit a certification that all information on the application is true and correct, along with the name, mailing address, and date of birth of the individual authorized to sign for the SFA [7 CFR §226.6(b)(1)].

Training

SFAs participating in the NSLP are familiar with operating a Federal Child Nutrition Program and should not be required to attend CACFP training prior to submitting a CACFP application. Similarly, members of the food service staff who receive meal service training under the NSLP are not required to attend

separate CACFP training on meal services. However, administrative staff must be informed about Program requirements and attend the necessary training. Bright from the Start shall offer At-risk Afterschool Meals and CACFP training sessions; the CACFP 2-day orientation training is not required, but available if preferred. Additionally, SFAs are not required to conduct preapproval visits to schools already participating in NSLP.

Meal Patterns

The CACFP regulations permit SFAs participating in NSLP to substitute NSLP meal pattern requirements for the CACFP meal pattern requirements [7 CFR §226.20(o)]. This means SFAs may choose to use either the CACFP or NSLP meal patterns when serving at-risk afterschool meals through CACFP. Schools electing to follow the NSLP meal pattern requirements must follow the new NSLP meal patterns. Although the use of offer versus serve (OVS) is not generally permitted under CACFP, SFAs may use OVS for the meal service under either the CACFP or NSLP meal patterns. However, OVS may not be used with snack services under either CACFP or NSLP.

Procurement and Contracting Requirements

SFAs may follow the NSLP procurement standards found in 7 CFR §210.21 in lieu of CACFP procurement standards at 7 CFR §226.22. NSLP has comprehensive requirements in these areas and compliance with the NSLP requirements satisfies the intent of the corresponding CACFP requirements and will simplify participation for SFAs. Please note that there is no Federal requirement that food inventories used for the various Child Nutrition Programs be stored separately. Additionally, SFAs are not required to allocate expenses to the separate Child Nutrition Programs. Child Nutrition Program reimbursements may be used to pay expenses related to any of the Child Nutrition Programs. Indirect costs must be charged appropriately to the nonprofit school food service account. Please see the indirect cost guidance for more information (http://www.fns.usda.gov/cnd/governance/Policy-Memos/2011/SP41-2011_os.pdf).

Similarly, SFAs may comply with the NSLP requirements for contracting with food service management companies (FSMCs) outlined in 7 CFR §210.16 in lieu of the CACFP requirements at 7 CFR §226.21. It should be noted, however, that the addition of CACFP at-risk afterschool meals may represent a material change to an FSMC contract. For guidance regarding a material change, State agencies and SFAs are encouraged to refer to SP 17-2012, *Procurement Questions and Answers to Assist in the Implementation of the Final Rule titled Nutrition Standards in the National School Lunch and School Breakfast Programs*, February 23, 2012.

SFAs that contract with FSMCs for some or all aspects of the management of the food service program may allow the FSMC to conduct the same activities for CACFP that are performed for NSLP. SFAs should be reminded, however, that the SFA maintains responsibility for submitting claims, retaining control of the quality of the food service and the prices charged to children, monitoring the food service operations, and remaining accountable to ensure that all CACFP requirements are met.

Monitoring

With regard to Bright from the Start monitoring, CACFP deficiencies shall be addressed according to the CACFP regulations, including the requirements regarding termination, disqualification, and submission to

the CACFP National Disqualified List. Additionally, overclaims shall be assessed and collected by Bright from the Start in accordance with CACFP regulations.

Program Budgets and Management Plans

In the past, institutions applying to the CACFP were required to complete a management plan and program budget as part of the application process. Management plan and budget submissions were not required unless the institution intended to sponsor more than one facility. School Food Authorities (SFAs) now have flexibility with regard to budget and management plan application requirements.

Effective October 1, 2014, School Food Authorities that meet specific criteria now have the option to request a waiver of annual budget and management plan submission requirements. The waiver applies to SFAs who:

- Participated in the Summer Food Service Program (SFSP) (experienced SFAs) during the preceding summer or during vacation breaks in the current year for schools operating on a year-round calendar;
- Had no operational problems during that time as reported by any State agency or FNS; and
- Are new to CACFP, but was successful in operating in the NSLP or the SBP.

As part of the CACFP application, School Food Authorities interested in a waiver will be required to notify Bright from the Start by completing the **CACFP Request for Waiver of Submission of the Annual Budget and Management Plan** (see attached). The waiver must be completed and returned to Bright from the Start along with other documentation required for CACFP application approval.

School Food Authorities that request a waiver not to submit the budget as part of the application are encouraged to exercise caution regarding costs allocated to the CACFP. Unallowable costs previously identified during the budget/budget amendment process will go undetected by Bright from the Start until the required compliance review is conducted. Therefore, SFAs should be aware of the increased liability that may be incurred as a result of eliminating the budget review process. Moreover, the management plan was required as a measure of program accountability and corresponds to the budget. Sponsoring organizations are ultimately responsible for the use of CACFP reimbursement in its Program operations, and sponsors must ensure that CACFP reimbursement is used only for allowable CACFP costs.

School Food Authorities must maintain required documentation which includes, but is not limited to the Monthly Record of Operational and Administrative Costs Form, invoices, receipts, canceled checks and/or bank statements that support how CACFP reimbursement was used on allowable costs (Alternate documentation may be used in place of the Monthly Record of Operation and Administrative Cost Form as long as all of the same information is captured). In addition, in accordance with federal regulations 7 C.F.R. § 226.15 (e); 7 C.F.R. § 226.14 (a); 7 C.F.R § 226.25(b); 7 C.F.R. § 226.10(d); DECAL Policy No. 02-18, and the permanent agreement between Bright from the Start and sponsoring organizations, all records must be maintained and made available for review immediately upon request.

Please refer to Bright from the Start's Policy Memorandum, *Transitioning from the Summer Food Service Program to the Child and Adult Care Food Program (CACFP) At-risk Afterschool Meals* (dated August 20, 2014) for additional CACFP flexibilities which may apply.

For questions concerning this memorandum, please contact Sonja Adams, Policy Administrator at (404) 651-8193.



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**Child and Adult Care Food Program
 Request for Waiver of Submission of the Annual Budget and Management Plan**

I, _____ am the _____ of _____, a new or existing
(Delegated Principal) (Title) (Institution Name)

Board of Education, public school or School Food Authority participating in the Child and Adult Care Food Program (CACFP).

_____ formally requests a waiver to not submit the annual budget or management plan for the _____
(Institution Name) (Fiscal Year)

Child and Adult Care Food Program (CACFP).

I, _____ of _____, have read CACFP federal regulations 7
(Delegated Principal) (Organization Name)

CFR 226, Bright from the Start's policies and policy memorandums, and understand the requirements for CACFP, including, but not limited to:

- Collecting and maintaining all Program records that demonstrate eligibility for participation;
- Meeting all annual procurement requirements and maintaining records that demonstrate open and fair competition and selection;
- Meeting all annual training requirements for key staff of the institution and all sponsored facilities;
- Meeting all monitoring requirements for sponsored facilities, and
- Making available immediately upon request all Program and non-program records to support the submission of monthly claims for reimbursement, and use of CACFP reimbursement funds on allowable costs (see also Bright from the Start CACFP Policy No. 18).

_____ accepts full, financial responsibility for the administration and operation of the
(Organization Name) CACFP and agrees to repay all funds that were used for unallowable costs when cited during a CACFP compliance review, independent audit, or financial review.

Signature of Delegated Principal

Date of Submission

Bright from the Start-Internal Use Only

Date Waiver Received: _____	Approval Date: _____
Program Official Signature: _____ Title: _____	Denial Date: _____ Reason for Denial: (Official Notice Attached)