

What is the Child and Adult Care Food Program (CACFP)?



DECAL
Thriving Child Care
Business Academy

This resource will help child care providers learn how their business and the families they serve can benefit from the Child and Adult Care Food Program (CACFP).

The Child and Adult Care Food Program (CACFP) is a nationwide program administered by the United States Department of Agriculture (USDA) to provide approved child care centers and family child care providers with financial resources for providing nutritious meals and snacks for the qualified children they serve.

Both your business and your enrolled families can benefit from this program. The additional financial resources will cover a portion of your existing food costs; the children in your care will have access to well-balanced meals; and parents will save time and money by not having to buy, prepare, or pack these meals at home.

Is Your Business Eligible?

Child Care Centers

Public or private nonprofit child care centers, after-school-hours care centers, Head Start programs, and other businesses which are licensed or approved to provide child care services may be eligible to participate in the CACFP. To be eligible, your program must have either private non-profit status, be part of a public entity, or, if for-profit, have at least 25% of children enrolled, or 25% of licensed capacity (whichever is less) meeting the [USDA Income Eligibility Guidelines](#) for the National School Lunch Program's free or reduced-price or receive W-2 Child Care Assistance (Title XX). Generally, center-based providers can receive reimbursements for children aged 12 and under in their care.

Family Child Care Programs

Family Child Care Programs, or Family Day Care Homes as referenced by the CACFP, that are licensed and/or certified to provide family child care services can participate in the program through an approved sponsoring organization, which accepts administrative and financial responsibility for all the child care programs under its sponsorship. The sponsor maintains program records, submits monthly meal claims, receives monthly reimbursements, and then passes the reimbursements on to the participating family child care providers. Generally, eligible providers can receive

reimbursements for meals served to children aged 12 and under. The child care business owner's own children may be included if they are income eligible.

Afterschool At-Risk Programs

Eligible At-Risk programs must be organized primarily to provide regularly scheduled care for children after school or on the weekends, holidays, or school vacations during the regular school year and be located in an attendance area of the school where at least 50% or more of the children are eligible for free or reduced-price meals. These sites are reimbursed for meals for children up to age 18, and in some cases, are open to all children in the area.

How Does the Program Work?

Eligible child care businesses must first submit a formal application with supporting documents and participate in a site visit to be considered for the CACFP. Once approved, your business can begin to submit monthly claims to be reimbursed for meals and snacks served that meet [USDA nutritional guidelines](#) and approved program meal patterns. Each year, the program must submit a renewal application, also known as a continuing application, to continue participating in the CACFP. Child care businesses are regularly reviewed to ensure compliance with federal regulations.

Accurate records of all foods served to each child must be submitted each month for reimbursement. Remember that any meal served as part of CACFP must meet federal nutrition standards and include vegetables and fruits, grains, meat and meat alternates, and milk.

Also note that all licensed CCLC and FCCLA must follow USDA guidelines whether they participate in CACFP or not.

Reimbursement Rates

The USDA adjusts reimbursement rates annually each July. Be sure to reference the most recent reimbursement schedules, which can be found on the [USDA CACFP Reimbursement Rates](#) website. Reimbursement rates are also determined differently for child care centers versus family child care programs.

Family Child Care Programs

Family child care programs receive payments based on the following tiers:

- **Tier 1** – Covers programs located in low-income areas, low-income providers, or children from low-income households.
- **Tier 2** – Covers programs that do not qualify for Tier 1.

Child Care Centers

Child Care centers receive payments based on the income of the child's family. Meals

are then reimbursed at free, reduced-price, or paid rates. Reimbursement rates are higher for children that qualify for free or reduced-price meals.

What could be my maximum reimbursement per child?

The maximum reimbursement your business could receive would be for providing **two meals and one snack per day to one child at the highest eligible reimbursement rate**. Check the [USDA Food and Nutrition Service CACFP](#) website for current [income eligibility guidelines](#) and [reimbursement rates](#).

As long as your business is meeting all program guidelines and submitting an annual renewal application, you should be able to count on the CACFP as a continuous source of income.

Ready to Apply? Start Your Application

If you want to add the Child and Adult Care Food Program (CACFP) to your operations, the [USDA Food and Nutrition Service](#) website has guidance and information to help you get started. You can also contact your [local food program sponsor](#)

New applicants should be prepared to complete an application as well as take the required training. Your local food program sponsor may also provide free technical assistance and training to enrolled family child care programs.

Common Questions: Taxes

Some child care business owners worry about the effects participating in the CACFP might have on their taxes. However, participating in the program is typically more financially beneficial than not participating.

Important things to note:

- Because CACFP reimbursements are considered taxable income, your business's profit will increase along with its tax responsibility. However, the after-tax income you receive in reimbursements from the program will always be higher than the taxes you have to pay.
- Your ability to deduct food expenses will not decrease when participating in the CACFP. Meals and snacks reimbursed by the program can be deducted just like meals and snacks that are not eligible for reimbursement.
- If the additional income received from CACFP reimbursements moves your business into a higher tax bracket, you will pay the higher tax rate on the reimbursements only.

Common Questions: Administration

Some business owners grow concerned that administrating the CACFP will be an additional burden on themselves and their staff. However, the records required for

reimbursement are in most cases no different than those already being maintained for your tax filing purposes.

Alternatively, programs can elect to participate in CACFP through a sponsoring organization that can handle all administrative activities for them. While you will still need to record the meals served and provide that information to your sponsor to receive reimbursement, all other administrative requirements (i.e., filing claims) will be the responsibility of your sponsor.

Important things to note:

- Information required for CACFP reimbursement includes attendance, meal type, and meal count each day, details which are likely already being recorded by your staff, if applicable.
- Because CACFP reimbursement requests must be submitted monthly, some business owners welcome the opportunity to maintain regular, accurate records rather than relying on memory when it is time to file taxes.
- You do not need to save or submit food receipts with your reimbursement requests, though you may still want to total your annual food expenses for budgeting purposes.
- Many Child Care Management Software (CCMS) systems are already configured for you to easily enter your required data for CACFP.
- The time you spend maintaining your records can count toward your Time-Space Calculation if you're a family child care provider.

You can learn more about setting up a record-keeping system.

Financial Benefits to Your Business

Enrolling in the CACFP is free to all regulated providers serving nutritious foods to the eligible children in their care. Once approved, your business can get reimbursed for up to two meals and one snack – or one meal and two snacks - served to each participating child each day. Reimbursement payments are sent monthly directly to your business to offset your food expenses.

In addition, when you participate in the CACFP, you are able to access free nutrition training, youth activities, and other resources to assist your business in supporting each child's healthy lifestyle within and beyond your center.

Other Benefits

Participating in the CACFP is a smart business decision and also an investment in the health and wellness of the children you care for. Providing daily well-balanced meals and nutrition education in the early years of development can help you to support the development of lifelong healthy habits for the children in your care. For more

information or to find your local food program sponsor, visit the [National CACFP Sponsors Association](#) website.

Additional Resources

If you have questions or need help, assistance is available.

GaPDS website: <https://gapds.dec.state.ga.us>

Academy website home page: <https://www.dec.state.ga.us/Thriving>

To Find Other Study Guides: Click on [Resources](#) on the Academy home page

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For questions about coaching or study groups: Email GAcoaching@civstrat.com

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For General Questions about the Academy: Email thriving@dec.state.ga.us

[Family Child Care Learning Home Rules and Regulations](#)

[Child Care Learning Center Rules and Regulations](#)

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