USDA

United States Department of Agriculture

Food and Nutrition Service

3101 Park Center Drive Alexandria, VA 22302-1500

DATE: June 29, 2006

MEMO CODE: CACFP 13-2006

SUBJECT: Administrative Reimbursements for Non-Claiming Homes in the Child and Adult Care Food Program (CACFP)

TO: Regional Directors
All Regions

The purpose of this memorandum is to clarify that sponsors of day care homes <u>may not</u> include non-claiming homes in the total number of homes reported for determining administrative reimbursements.

In the course of conducting the Child Care Assessment Project, we became aware that some State Agencies (SAs) allow sponsors of day care homes to include in the total number of homes claimed for administrative reimbursement purposes homes that are not reporting meals in a given month.

FNS Instruction 796-2 Revision 3 states that a sponsor's administrative reimbursement is based on the number of day care homes "participating" under their sponsorship during the claim month. A day care home provider that does not claim meals for a given month is not considered to be participating in the Program and, as such, can not be included in the sponsor's claim for administrative reimbursement.

We recognize sponsors may incur administrative costs on behalf of a day care home that exceed the corresponding reimbursement for the home in a given month. Conversely, there may be months in which a sponsor incurs minimal cost on behalf of a particular provider, while receiving full administrative reimbursement. The CACFP rate structure was developed with the full understanding that this fluctuation would occur.

Please notify your State agencies that, effective not later than their claim for August 2006, they may no longer allow sponsors to include in claims for reimbursement any provider that did not serve a reimbursable meal/meals during the claim month.

Please contact Keith Churchill at (703)305-2590 should you have questions concerning this guidance.

STANLEY C.GARNETT
Director
Child Nutrition Division