

July 2, 1999

SUBJECT: CACFP Memorandum #6-99: Further Guidance on the Use of  
Unannounced Visits in the Child and Adult Care Food Program (CACFP)

TO: Program Directors  
Special Nutrition Programs  
All Regions

## **Background**

This memorandum is intended to provide regional offices with information to share with State agencies concerning the use of unannounced monitoring visits to child and adult care facilities in the CACFP. As you know, the Management Improvement Guidance for Family Day Care Homes and the Management Improvement Guidance for Child Care Centers (issued in 1997 and 1998, respectively) recommend that sponsoring organizations make at least one unannounced visit per year to their sponsored facilities. This memorandum addresses frequently asked questions about the recommended procedures for making unannounced visits.

Current requirements governing State agency review of institutions are located at section 226.6(l) of the CACFP regulations, while those which apply to sponsoring organization review of facilities (sponsored child and adult care centers or family day care homes) can be found at section 226.16(d). Although the regulations do not specify whether these reviews should be announced or unannounced, some State agencies and a growing number of sponsoring organizations are making some or all of their institution or facility visits unannounced, especially in cases where Program irregularities are suspected.

The USDA Office of Inspector General's (OIG's) national audit of the family child care component of CACFP in 1995 found that most routine sponsor monitoring visits to day care homes were announced in advance, and that sponsors often make formal appointments to visit their day care homes. The audit found that few serious Program irregularities were detected when sponsoring organization visits to homes were announced in advance, and that unannounced visits were especially effective in identifying certain types of Program abuse, especially over-claiming of meals or the claiming of reimbursement for non-existent meal services or children.

If we wish to require that a specific number of reviews be unannounced, it will be necessary for us to issue a proposed rule and take public comment on it, which we plan to do in the near future. However, in the meantime, we wish to stress that State agencies and sponsoring organizations that are not already doing so should begin the use of unannounced visits as soon as possible. Before instituting unannounced visits, we advise State agencies to ensure that their use is not prohibited by State law.

We are issuing this memorandum to encourage the broader, immediate use of unannounced visits by both State agencies and sponsoring organizations. The procedural recommendations for implementing unannounced visits which are discussed in the questions and answers which follow should not deter any State agency or sponsoring organization from immediately implementing this important management tool for detection of Program fraud and mismanagement. We strongly believe that unannounced visits to child and adult care institutions and facilities can play an important role in improving Program management and integrity, and that such reviews can be conducted in a manner that meets the varied needs of State agencies, child and adult care sponsors, their facilities, and the children and adults they serve.

**Should a sponsoring organization make all of its reviews unannounced?**

Although some sponsors currently make all of their required monitoring visits unannounced, others find that it is not feasible to do so. Some sponsors use facility visits as opportunities to conduct on-site training on Program management and/or nutrition education. Making all reviews unannounced would diminish the sponsor's ability to provide on-site training, especially to family day care home providers who would not have the chance to arrange for additional help during the period of the review/training visit. Thus, if a sponsor wishes to make all three of its annual required reviews of a facility unannounced, and still wishes to conduct some training on-site, they might wish to consider scheduling an additional visit for the purpose of providing on-site training and technical assistance.

**Are unannounced reviews effective, especially since the provider might not be at home when the unannounced visit is made?**

We are not convinced that such visits would be ineffective simply because a provider was not at home when the sponsor made an unannounced visit. In fact, a provider's unexplained absence could indicate a potentially serious accountability problem which the sponsor needs to address. We also believe that, when serious problems (e.g., an unexplained absence when the provider is expected to be providing care) are uncovered in an unannounced visit, the next review of that facility should be unannounced as well.

In order to minimize the possibility of a provider not being at home when an unannounced visit is made, we suggest that the sponsoring organization or the State agency make unannounced visits during approved meal service times and that they institute a policy requiring a provider to notify the sponsor when planning to provide care or a meal service away from their home (e.g., a field trip). In addition, many sponsors and State agencies using unannounced visits have established other policies which underscore the need for providers to keep their sponsors informed of such circumstances, such as disallowing meals served away from home on the day of review when the provider failed to give notice of their intent to provide care out of the home.

**What procedures should be followed when making an unannounced facility visit?**

In recognition of the unique nature of providing day care (especially in one's private residence) and in order to protect the privacy of Program operators and the children or adults in care, we believe that the following procedures should be used by any State agency or sponsoring organization making an unannounced visit:

- (1) In order to provide sponsoring organizations and sponsored facilities with formal notice of this monitoring procedure, State-sponsor agreements should be amended to specify that unannounced facility visits may be made. Institution/facility agreements should be amended to specify that unannounced visits may be made at any time during the facility's normal hours of operation, and that meal disallowances may be taken when providers fail to notify their sponsoring organization that they will be away from home during a meal service. In instances where only the State agency elects to perform unannounced visits of facilities, the State agency should require the sponsoring organization to notify facilities that unannounced reviews may be made.
- (2) Unannounced visits should only be made during the facility's normal operating hours (i.e., if shift care is provided, an unannounced visit can be made during any shift); and
- (3) Monitors should have and show photo identification which proves them to be employees of the State agency or sponsoring organization making the unannounced visit.

In addition, prior to instituting unannounced facility visits, it is suggested that the sponsoring organization or the State agency issue a notice to all sponsored facilities stating that unannounced visits would soon begin to be made, and restating relevant Program requirements, such as:

- All family day care home providers are required to take daily meal counts (section 226.18(e)), meaning that unrecorded meals prior to the day of review may not be reimbursed;
- Providers are required to keep records of enrollment, attendance, and meals served (sections 226.18(b)(4)-(5) and (e)), and such records must be accessible on-site during a review; and

Child care centers, outside-school-hours care centers, and adult day care centers are required to keep records of enrollment, attendance, and meals served (sections 226.17(b)(4), (b)(7) and (b)(8); 226.19(b)(8); and 226.19a(b)(6), (b)(8) and (b)(9)), and such records must be accessible on-site during a review.

**Will State agencies have greater difficulty than sponsors in making unannounced visits to facilities?**

When a State agency makes unannounced facility visits as part of its review of a sponsoring organization, it could experience greater difficulty than a sponsor would in conducting the same visit. This stems from the fact that State agencies:

- Are often located farther away from the facility than the sponsor (thus increasing the potential cost of unannounced visits to the State agency);
- Are required, as part of a review of a sponsor, to make only a limited number of facility reviews; and
- Lack an ongoing administrative relationship with individual sponsored child and adult care facilities.

Nevertheless, the audit and investigative work conducted by OIG strongly suggests the need for some level of unannounced facility visits by State agencies as well, since those sponsors which pay inadequate attention to accountability issues are unlikely to employ unannounced visits and uncover serious Program irregularities at their sponsored facilities. Therefore, we recommend that State agencies conduct some unannounced facility visits as part of their review of a sponsoring organization, or when they have reason to suspect Program irregularities at a particular facility.

**Should State agencies make unannounced visits to institutions?**

When a State agency has reason to believe that an institution is having difficulty managing the Program, or is involved in Program irregularities, we recommend that an unannounced visit be made to determine the scope and nature of the institution's problems. A State agency utilizing unannounced visits to institutions should follow the same procedures as those described above relating to unannounced visits to facilities by a sponsor or State agency.



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