

# SERIOUS DEFICIENCY PROCESS FOR SPONSORS OF UNAFFILIATED CENTERS

CACFP Policy 09-01

## **Purpose**

To set forth the serious deficiency process to be followed by sponsors of unaffiliated centers

## **Scope**

Sponsors of unaffiliated centers participating in the Child and Adult Care Food Program (CACFP), with unaffiliated center meaning any of the following center-type facilities that are not part of the legal organization of the CACFP sponsor: licensed centers, unlicensed registered day care ministries, outside-school-hours programs, at-risk after school meals programs, emergency/homeless shelters, and adult day care centers

## **Description**

### Serious Deficiency

Using the state agency letter templates, the sponsoring organization (SO) will issue a Notice of Serious Deficiency when serious deficiencies are identified in a sponsored center. Serious deficiencies may include any of the following:

1. Submission of false information on the application
2. Submission of false claims for reimbursement
3. Simultaneous participation under more than one sponsoring organization
4. Non-compliance with the CACFP meal pattern
5. Failure to keep required records
6. Conduct or conditions that threaten the health or safety of the child(ren) in care, or the public health and safety
7. A determination that the principals have been convicted of any activity that occurred during the past seven years that indicated a lack of business integrity, including fraud, antitrust violations, embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements; receiving stolen property; making false claims; obstruction of justice; or any other activity indicating a lack of business integrity as defined by the State Agency, or the concealment of such a conviction
8. Failure to participate in annual training
9. Any other circumstance related to non-performance under the Sponsor/Center/Ministry agreement

### Corrective Action

The Serious Deficiency Notice will specify the serious deficiency(ies), the responsible principals/individuals, the required corrective action, and the time allotted to correct the serious deficiency(ies) (as soon as possible, but not to exceed 30 days). A copy of this notice must be provided to the State Agency.

If the center and responsible principals/individuals corrects the serious deficiency(ies) to the satisfaction of the SO, the sponsor will send written notification (using the state agency letter templates) to the center that the serious deficiency determination has been temporarily deferred. A copy of this notification must be provided to the State Agency.

## **Serious Deficiency Process for Sponsors of Unaffiliated Centers**

### **Termination**

If the center and responsible principals/individuals fails to fully and permanently correct the serious deficiency(ies) within the allotted time, the SO will propose to terminate the center's agreement and disqualify the responsible principals/individuals. The Notice of Proposed Termination and Disqualification must use the state agency letter template and must include notice that the center and responsible principals/individuals may appeal its proposed termination. The center may continue to participate and receive CACFP benefits during the course of the appeal process. However, should the center voluntary terminate the agreement after receipt of this notice, the SO will continue with the termination process. A copy of this notice must be provided to the State Agency.

If the center and responsible principals/individuals do not appeal in the required time, the SO will send the Notice of Termination (using the state agency letter template). A copy must be sent to the State Agency.

All terminated facilities and disqualified principals/individuals are added to a National Disqualified List. Terminated centers and disqualified principals/individuals will not be able to participate in CACFP for seven years. If after 7 years, any debt is still owed, the center and responsible principals/individuals will remain on the National Disqualified List until all debt is paid.

### **Sources**

Indiana Department of Education, School and Community Nutrition