

ADMINISTRATIVE FEE GUIDANCE FOR SPONSORS OF SEPARATE LEGAL ENTITIES

CACFP Policy 94-05

Purpose

The following sets the administrative fee policy when institutions engage in sponsoring facilities that are legally separate from the sponsor.

Scope

This policy includes childcare centers, registered day care ministries, outside-school-hours centers, at-risk after school meals programs, and adult day care centers. It does not include family day care homes.

Description

Sponsoring organizations that administer and take full administrative and financial responsibility for the operations of a facility not within their organizational structure may assess an administrative fee. Federal regulations at §226.16(b)(1) require that the administrative fee may not exceed 15 percent of the facilities monthly CACFP meal reimbursement.

The sponsoring organization must annually submit the anticipated administrative cost for each facility and an administrative budget for all administrative costs on which the organization bases its fee for services.

The following information is required to enter into an agreement with a facility that is legally separate from the sponsor:

1. A completed center information sheet in the CNPweb for each facility
2. An administrative budget defining the projected costs for administering the facility(ies)
3. A copy of each facility's license, certificate of registration or alternate approval form, unless the facility is an at-risk afterschool meals program or outside school hours program
4. Tax-exempt documentation or a proprietary (for-profit) center enrollment certification statement for each facility.
5. A copy of the completed sponsor/center/ministry agreement
6. A church affiliation statement for any registered day care ministries that uses its church's tax exempt status
7. A health/safety inspection for all at-risk afterschool meals programs or outside school hours programs that do not participate in the NSLP or SBP

Sources

Indiana Department of Education, School and Community Nutrition Programs