

Institution Approval and Applications

PURPOSE: To establish criteria for approving institutions for participation in the Child and Adult Care Food Program (CACFP) based upon statutory changes mandated by the Agricultural Risk Protection Act of 2000 (Public Law 106-224).

SCOPE: Organizations participating in the CACFP.

DESCRIPTION: Section 234(b) of Public Law 106-224 amended section 17(d)(1)(A) of the National School Lunch Act (NSLA) to require that State agencies must **ONLY** approve institutions for participation in the program that are financially viable, administratively capable, and have in effect internal controls to ensure program accountability.

Financial Viability means the organization has the fiscal resources to establish and maintain program operations. Institutions must assess the reliability of all its funding resources and determine if CACFP earnings are sufficient to cover costs.

Administrative Capability means the organization can effectively provide program benefits to all facilities and/or participants. In addition, capability can be demonstrated by completing timely, accurate, and valid application materials and other reports, and by employing staff with the necessary skills to operate the program.

Effective Internal Controls ensure program accountability. Management systems must be in place to ensure that eligibility decisions are made correctly and that Federal funds are expended appropriately. Proper internal controls include written, established policies and procedures, as well as effective program assessment and oversight of your organization, as provided by the governing board, and proper oversight of facilities.

SOURCE: FY 00 Child and Adult Care Food Program Policy Memorandum #16