

Establishing Controls in Sponsor's Claims Systems

PURPOSE: To establish the procedure to ensure that providers are not paid for meals served before their approval dates

SCOPE: Sponsors of family day care homes.

DESCRIPTION: In its CACFP Analysis of Large Sponsors Audit, the Office of Inspector General (OIG) recommended that, "sponsors implement specific automated controls in their computerized claims systems to prevent payments to providers for meals served before their eligibility dates."

USDA FNS supports and encourages automation to the extent practicable. Sponsoring organizations must comply with the State Agency specific policy regarding approval of a provider's application. In Indiana, the approval date is the date that complete and correct provider application materials are received at the State Agency. The sponsor's automated payment system should incorporate specific fields and edit checks that ensure claims are not paid prior to the first date of eligibility allowed under State Agency policy.

Source: USDA FY03 Child and Adult Care Food Program Policy Memorandum #03-22.