

### **Review Requirements for Sponsoring Organizations in the CACFP**

**PURPOSE:** To update the requirements established at § 226.16(d)(4) for sponsors' review of their facilities.

**SCOPE:** All Sponsoring Organizations (SO) participating in the Child and Adult Care Food Program.

**DESCRIPTION:** CACFP Federal Regulations have been updated to require that new facilities (homes and centers) be reviewed within the first four weeks of operation, that each facility must be reviewed three times each year, and that not more than six months may lapse between reviews. Indiana State Policy requires that all three reviews be unannounced and that they shall take place during a meal service. In addition, the following review elements have been specified:

Sponsoring Organizations must assess:

1. Whether the facility has corrected problems noted on the previous review(s);
2. A reconciliation of each facility's meal counts with enrollment and attendance records for a five-day period, with meal counts recorded by the facility for those five days; and
3. The facility's compliance with Program requirements pertaining to the meal pattern, licensing or approval, attendance at training, meal counts, menu and meal records, and the annual updating of content of enrollment forms.

The requirements for sponsor monitoring of facilities set forth at §226.16(d)(4) are based on the assumption that most facilities participate in CACFP 12 months each year, and that they continue to participate on a full-year basis from one year to the next. Although this is not universally true, it is still the norm in many places.

#### "First review" Requirement

Sections 226.16(d)(4)(i)(C) and 226.16(d)(4)(ii)(C), which establish the requirements for "first reviews" of sponsored centers and day care homes, respectively, are based on this assumption of continuous, year-round participation. One could interpret the first review requirement to mean that, every time the SA renews a sponsor's application, all of its facilities must again be reviewed on the "first review" schedule. *This is not the intent of the first review requirement.* If it were, a sponsor with 1,000 day

care homes whose application was renewed annually would have to review all 1,000 of its homes within four weeks of the SA's approval of the application renewal.

Rather, the first review requirement is designed to ensure that facilities that are new to CACFP receive an early review from their sponsor, to minimize the possibility that the facility is making critical errors that could result in large overclaims. The first review requirement also applies to a facility that changes sponsors (insofar as that facility is a "new participant" in the sponsorship to which it has transferred) or to a facility that re-enters CACFP after a break in participation.

#### "Three times per year" Requirement

Sections 226.16(d)(4)(i) and 226.16(d)(4)(ii) establish the requirement that each sponsored center and each day care home must be reviewed three times each year.

This section clarifies the minimum review requirements when a facility begins CACFP participation near the end of the sponsor's review cycle.

For example, if a sponsor used the fiscal year (FY) as its normal review cycle, how many reviews would a sponsor be required to conduct of a day care home added to its rolls on August 29, 2003? The answer is "once in FY 2003 and three times in Fiscal Year 2004", because the first review requirement would require the sponsor to review the home within its first four weeks of operation (i.e., by September 29, 2003). The "normal" three times a year requirement for this home would commence with the new review cycle in FY 2004.

#### Other variations on "three times per year"

There are, of course, many other scenarios that could occur. To cite two of the more common examples, a home may begin participating in CACFP six months into the review cycle, or a sponsored Head Start center may regularly participate for only nine months each year. The State Agency, in consultation with the USDA Regional Office, will exercise its judgment in determining the minimum review requirements for a given sponsor and its facilities.

The State Agency will collect information concerning the monitoring of facilities that participate on an other-than-year-round basis in annual management plans. The State Agency will then ensure that state-level requirements pertaining to the minimum number of reviews for part-year

participants are being met as part of their approval of a sponsor’s initial management plan and/or renewal application.

Averaging of Required Reviews

If a sponsoring organization conducts two unannounced reviews of a facility and finds no serious deficiencies, the sponsoring organization may choose not to conduct a third review of the facility that year, providing that the sponsor conducts an average of three reviews of all of its facilities that year. When a sponsoring organization uses this averaging provision, its first review in the next review year must occur no more than nine months after the previous review. Sponsoring organizations MAY NOT review a sponsored facility fewer than three times per year if the facility has submitted a block claim during the year.

The following charts indicate the number of review required for each site. All reviews must be documented by completing the appropriate Monitor Review Form.

How to use the first chart: The CACFP fiscal year is from October 1 to September 30. Look at the facility and decide how many more months until the end of the CACFP fiscal year. The third column indicates the number of required monitoring visits.

Type of Facility	Number of Months Participating During the Current Fiscal Year	Number of Monitoring Visits Required
Child Care, Adult Day Care, Registered Ministry, Head Start, At-Risk, Outside School Hours, or Homeless Centers	6-12 months	3
Child Care, Adult Day Care, Registered Ministry, Head Start, At-Risk, Outside School Hours, or Homeless Centers	3-5 months	2
Child Care, Adult Day Care, Registered Ministry, Head Start, At-Risk, Outside School Hours, or Homeless Centers	1-2 months	1
Family Day Care Home	6-12 months	3
Family Day Care Home	3-5 months	2
Family Day Care Home	1-2 months	1

SOURCE: FY 04 Child and Adult Care Food Program Policy Memorandum #04-10; FY 05 Child and Adult Care Food Program Policy Memorandum #05-01.