

Overpayments in the Child and Adult Care Food Program (CACFP)

PURPOSE:

To set forth the policy to disregard the collection of overclaims that have been identified through a management evaluation, a review, or an audit.

SCOPE:

Institutions participating in the Child and Adult Care Food Program.

DESCRIPTION:

The Child Nutrition and WIC Reauthorization Act of 2004 (Public Law 108-265) amended the Richard B. Russell National School Lunch Act to increase the disregard threshold for overpayments to child or adult institutions participating in the Child and Adult Care Food Program. The law allows State Agencies to disregard the collection of overclaims that have been identified through a management evaluation, a review, or an audit. However, NO overpayment will be disregarded where there is substantial evidence of violations of criminal law or civil fraud statutes.

In Indiana, we will disregard overclaims up to and including fifty dollars for a first time error. There will be NO disregard for the same or similar error found in **reviews conducted within 36 months of the original review date**. Examples of similar findings are errors resulting from variance to the CACFP meal pattern requirements (missing components, incorrect serving sizes, or problems with the milk calculation); Applications for Free and Reduced-Price Meals that are missing, expired, incomplete, or miscalculated; miscalculation of meal counts submitted for reimbursement; or miscalculation of FDC administrative expenses. These examples are not all inclusive.

In the event that an institution has the same findings in consecutive reviews, the State Agency will then require payment of all overclaims, even one that had been disregarded after a prior review.

Corrective action will always be required after a program review, even if the overpayment has been disregarded.

This policy shall be effective February 1, 2005.

Source:

The Child Nutrition and WIC Reauthorization Act of 2004 (Public Law 108-265); FY04 Child and Adult Care Food Program Policy Memorandum #04-23.