

Retroactivity of Agreements for the Child Care Food Program

PURPOSE:

The purpose of this instruction is to provide guidance on retroactive agreements.

SCOPE:

Institutions participating in the Child and Adult Care Food Program

DESCRIPTION:

Section 226.11(a) of the Child Care Food Program (CCFP) regulations states that: "A State agency may make payment for meals served in accordance with provisions of the Program in the calendar month preceding the calendar month in which the agreement is executed." This provision applies only to center programs and to home programs which are renewing their agreements. The agreements of new home sponsoring organizations may not be backdated.

The intent of this provision is to enable institutions to begin reimbursable meal service as rapidly as possible. The administering agency may make the agreement effective for the calendar month prior to the calendar month in which it is executed if it is satisfied that the institution has complied with all Program requirements and maintained all records necessary to support a claim for reimbursement beginning with the date the agreement would take effect. Administering agencies should exercise this option only when they are assured of the institution's compliance. The procedures included here may also apply to the approval for reimbursement of center facilities under the sponsorship of currently operating sponsoring organizations.

This provision does not apply to new sponsoring organizations of day care homes for three reasons. First, §226.7(g) mandates that administering agencies establish an administrative budget limit for home programs. Those which commence operations prior to establishment of this limit may unknowingly incur administrative costs which they will subsequently be unable to recover. Second, founding a home program entails numerous sequential preoperational activities, the difficulty of which is increased by the relatively large number of homes usually involved. Among these activities is completion of a sponsoring organization/provider agreement for each home (§226.18(b)). It is not probable that all such activities will have been completed and operations will have been commenced in full compliance in the month prior to the month in which the agreement becomes signable. Third, the availability of start-up funds for development of home programs significantly reduces the economic need which would be addressed through a backdated agreement.

The administering agency may, however, backdate agreements of reapplying sponsoring organizations of day care homes. The programs of such organizations are established and operating at the time of reapplication. The probability that all Program requirements were being met during the month prior to the month in which the agreement is renewed is therefore high enough to justify backdating.

SOURCE:

FNS Instruction 788-10, dated October 14, 1982

SOURCE CITATION: Section 226.7(g), 226.11(a), 226.18(b)