

SPONSORING FACILITIES THAT ARE LEGALLY SEPARATE FROM THE SPONSOR AND
ADMINISTRATIVE FEE GUIDANCE

- PURPOSE:** The following sets the administrative fee policy when institutions engage in sponsoring facilities that are legally separate from the sponsor.
- SCOPE:** This policy includes childcare centers, registered day care ministries, outside-school-hours centers, at-risk after school snack programs, and adult day care centers. It does not include sponsoring family day care homes.
- DESCRIPTION:** Sponsoring organizations that administer and take full administrative and financial responsibility for the operations of a facility not within their organizational structure may assess an administrative fee. Federal regulations at §226.16(b)(1) require that the administrative fee may not exceed 15 percent of the facilities monthly CACFP meal reimbursement.
- The sponsoring organization must annually submit the anticipated administrative cost for each facility and an administrative budget for all administrative costs on which the organization bases its fee for services.
- The following information and guidelines are provided for organizations that enter into an agreement to sponsor a facility that is legally separate from the sponsor:
- (1) The facility must be entered on a center information sheets on the *CNPweb*.
 - (2) The sponsor must submit an administrative budget defining the projected costs for administering the facility(ies).
 - (3) The sponsor must submit a copy of each facility's license, certificate of registration, or alternate approval documentation.
 - (4) The sponsor must submit the tax-exempt documentation or a proprietary (for-profit) center enrollment certification statement for each facility.
 - (5) A copy of the Sponsor/Center/Ministry agreement must be executed between both parties and a copy must be submitted to the State Agency.
 - (6) If the sponsored facility is a registered day care ministry that uses its church 501(c)(3) documentation, a copy of the Church Affiliation Statement must be submitted to the State Agency.
- SOURCE:** The Indiana Department of Education, Child and Adult Care Food Program, USDA Food and Nutrition Service.