

POTENTIAL SPONSORING ORGANIZATION NEEDS ASSESSMENT GUIDELINES

CACFP Policy 13-02

Purpose

To set forth the needs assessment criteria for potential sponsors of family day care homes and unaffiliated centers

Scope

Potential sponsors of family day care homes and unaffiliated centers

Description

Section 234(b) of Public Law 106-224 amended section 17(d)(1)(A) of the National School Lunch Act (NSLA) to require that State agencies must **ONLY** approve institutions for participation in the program that are financially viable, administratively capable, and have in effect internal controls to ensure program accountability. It limits the approval of new sponsoring organizations to those eligible institutions that would provide benefits to unserved children or unserved centers or family day care homes. All sponsoring organizations must be either government or community based private nonprofit institutions. Private individuals and for-profit organizations are not eligible to function as sponsors.

Financial Viability means the organization has the fiscal resources to establish and maintain program operations. Institutions must assess the reliability of all its funding resources and determine if CACFP earnings are sufficient to cover costs.

Administrative Capability means the organization can effectively provide program benefits to all facilities and/or participants. In addition, capability can be demonstrated by completing timely, accurate, and valid application materials and other reports, and by employing staff with the necessary skills to operate the program.

Effective Internal Controls ensure program accountability. Management systems must be in place to ensure that eligibility decisions are made correctly and that Federal funds are expended appropriately. Proper internal controls include written, established policies and procedures, as well as effective program assessment and oversight of your organization, as provided by the governing board, and proper oversight of facilities.

The sponsor's financial viability will be evaluated rather than the number of facilities recruited. The state agency will consider unique characteristics that exist within the state, such as pockets of populations that speak a different language or dialect, major changes in employment resulting in a significant gain or loss of jobs, or geographical remoteness. The needs assessment package must be completed and submitted to the state agency for evaluation before the institution will be allowed to begin the program application process.

The Needs Assessment Package will include the following:

1. Articles of incorporation and certification, according to state law as, a tax-exempt organization
2. Documentation of 501(c)(3) status with the Internal Revenue Service
3. Documentation showing the majority of the governing board is made up of individuals

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who are members of the community and who are not financially interested in the organization's activities and are not related to organization personnel or to each other.

4. Documentation of unserved facilities or participants
 - a. Recruited facilities are not currently participating with another sponsoring organization (SO). The prospective SO must refrain from actively recruiting family day care providers currently participating on CACFP with another SO.
 - b. Recruited facilities have not been terminated for cause, do not have unresolved serious deficiencies, or do not owe a refund to another state agency.
5. Certification that neither the organization nor any of its principals has ever been disqualified from participation in any other publicly funded program and that neither the organization nor any of its principals has been convicted in the last seven years of any activity that indicated a lack of business integrity (e.g., fraud, embezzlement, theft, forgery, bribery, etc.).
6. Documentation of financial viability (resources to withstand temporary interruptions in program payments or demand for repayment of funds) as shown in audits, financial statements, bank statements, etc.).
7. Documentation of administrative capability (CACFP experience and adequate staff to operate the program, provide supervision and monitor participating facilities).
8. Documentation of program accountability (financial management system, record keeping system, training capability, etc.).

The State Agency will then decide if there is a need for another sponsoring organization by determining if current SOs are unable to accommodate the targeted facilities or the area(s) where it/they are located because they generate insufficient resources to properly train and monitor the facilities, and/or supervising additional facilities would threaten SOs' viability, capability or accountability.

If the State Agency agrees there is a need for an additional sponsoring organization, representatives of the organization will be required to participate in new sponsor training and will then be given the application packet.

If the State Agency determines there is not a sufficient need for an additional sponsoring organization, the organization will be notified by certified letter and appeal rights will apply.

Sources

CACFP 26-2011, Indiana Department of Education, School and Community Nutrition