

Contracting Out Management Functions in the
Child and Adult Care Food Program

PURPOSE:

The intention of the provision is to guarantee that institutions retain administration and financial responsibility for program operations.

SCOPE:

Institutions participating in the Child and Adult Care Food Program

DESCRIPTION:

Section 226.15(c) of the Child and Adult Care Food Program regulations requires that all institutions accept final administrative and financial responsibility for their operations under the Program. The provision also stipulates that, "...no institution may contract out for the management of the Program."

The intention of the provision is to guarantee that institutions retain administration and financial responsibility for program operations. The Department feels that such responsibility cannot be exercised effectively by institutions which contract out for critical aspects of program management. Institutions must have operational responsibilities and an ongoing role in program management if they are to retain firm control over their programs.

The regulation prohibits an institution from contracting out for all of its management functions. Management functions which institutions may not contract out under any circumstance include monitoring, corrective action, and preparation of application materials. However, institutions may contract out for specific management tasks, such as bookkeeping (but not claims submission), data processing, or the service of a nutritionist. Such contracting is permissible whether the institution provides its own or contract out for food service.

SOURCE:

FNS Instruction 792-2, dated November 1, 1991

SOURCE CITATION: Section 226.15(c)