

Sponsoring Organization Responsibilities

**Sponsors have final administrative and financial responsibility for all their facilities.*

Definitions

Institution: An independent center that enters into an agreement directly with the state agency (USOE). All institutions are referred to as sponsors in the regulations, with institutions with 2 or more facilities referred to as *sponsoring organizations*.

Facility: A facility is a properly licensed or approved center under the auspices of a sponsoring organization. The facility enters into an agreement directly with the sponsor.

Affiliated vs. Unaffiliated:

An affiliated facility is owned/operated by the same entity and has the same EIN number.

An unaffiliated facility is not owned by the sponsoring entity, although the sponsoring organization operates the food program at the site.

Informing facilities of USOE CACFP Monitoring

The sponsor must inform all facilities of the right of the USOE and USDA representatives to visit the facility on either an announced or unannounced basis at any time during working hours.

Training

Training of all key staff of all facilities covering the regulatory key topics is required annually. Key staff is anyone involved in food service in any way (cooking, serving, meal counts, supervising meals, paperwork, etc.). Key topics are defined by regulation. They include meal patterns, serving sizes, meal counts, record keeping requirements, reimbursements system, claim submission, and review procedures. Civil rights must also be trained on annually. New employees must be trained on CACFP before they can participate in the meal service in any way. All training must be documented with the agenda, date, and attendance. Participants should sign in when attending the training. It is recommended the CACFP Training Agenda and the New Employee Training form be used to ensure the required topics are covered.

Monitoring

Monitoring is required to ensure that sponsored facilities accountably and appropriately operate the program. Remember, the sponsor is responsible for all actions of the facility. A certain number of monitors are required, and monitoring must be completed a required number of times each year. The following is required regardless if facilities are affiliated or unaffiliated.

Monitors

At least 1 full time equivalent (FTE) per every 25-125 facilities or more is required by regulation to ensure the program operates successfully. Once a sponsor reaches 25 facilities, the USOE will provide a specific form to be completed that calculates the number of FTEs. If less than 25 facilities, the sponsor must document that sufficient time was spent in monitoring and monitoring activities to support the integrity of the program.

The facility cannot monitor itself. An outside person must monitor to prevent a conflict of interest.

How often:

- New facility: within first four weeks of operation
- 3 times per year
 - No more than 6 months between reviews
 - At least
 - 1 unannounced review
 - 1 meal observation during an unannounced review
- Scheduling must be unpredictable for the center.

Monitoring Form

Documentation of monitoring must be kept. The USOE has developed a monitoring form that contains all the required information. It is highly suggested this form be used, although it is conceivable that a sponsoring organization might add additional information to the form for their own use.

Part of the monitoring form is the 5-day reconciliation and is required for each facility review. The purpose of the 5-day reconciliation is to make sure that enrollment and attendance support the meals claimed per facility. For centers of up to 50 participants, a 5 day reconciliation must be completed for a minimum of 5 enrolled participants. If the total enrolled is 51 or more, then a 5 day reconciliation must be completed for a minimum of 10% of enrolled participants. The 5 day reconciliation must be done with 5 consecutive claiming days either in the same month of the review or the claiming period prior to the review. Five consecutive claiming days are simply five days in a row where meals are claimed, skipping non-claiming days, such as weekends. For emergency shelters or the After School Meal Program, the sponsor must make sure that the number of children on the roster and daily attendance support the number of meals claimed per facility.

Findings and Corrective Action

If there are items that are not in compliance during the monitoring review, the sponsor must follow through on corrective action. If requesting a written corrective action, the response must cover What, How, Who, and When. **What** new or corrected procedures will be put into place? **How** will the procedures be followed? **Who** will be involved in the correction? **When** will it be started and completed? The corrective action would be followed up on at the next review (which may be sooner, rather than later) and correction must be documented. If no

correction takes place, if the correction is inadequate, or the center or responsible principle(s) seem unable to make the correction, additional action must be taken. This action can include declaration of a serious deficiency. If the sponsor must declare a serious deficiency, the serious deficiency process must be followed. Contact our office for additional information.

Fiscal Action

If paperwork does not support the claim, fiscal action must be taken. This means if meal counts, the IEFs, the menu records, etc. are in error, the meals must be reclaimed and reimbursement claims must be amended on CNPWeb. Examples include incorrect IEFs causing meals to be claimed in the wrong benefit category, errors in meals counts causing more or less meals than allowed to be claimed, or the menu records not showing that reimbursable meals are claimed for infants or children 1 – 12 years of age. Errors are not limited to the examples given.

Claim Verification

Just like the fiscal action mentioned above, claim verification is a process to make sure each facility's paperwork supports the claim prior to claim submission. The sponsor must have a system in place to do this, and it is up to the sponsor to create the system. Often monitors will check the paperwork prior to approving the individual site, although the sponsor may assign other people to this task.

Facility Reimbursement

By regulation, reimbursement must be disbursed to facilities within 5 days. If the sponsoring organization is affiliated, there usually is not a problem with the reimbursement disbursement. The sponsor takes other measures to ensure each facility is funded for its meals. Sometimes each center buys its own food, sometimes the purchasing of food is assigned to one or two people to purchase for all facilities. Unaffiliated sponsors must, however, disburse the money within the timeline. There are some instances where the sponsor also acts as a central kitchen and therefore the money is not disbursed, but is used to provide food for the facilities.

Household Contacts

Household contacts are required by regulation for all sponsoring organizations. The sponsor must respond to "red flags" found during monitoring or claim processing. The response must include contacting parents or guardians if the meals appear out of the ordinary. This would include:

- Unexplained unusual claiming patterns
- Fewer children present during the review than claimed on an average during the last 3 claimed months
- Unable to reconcile enrollment, meal counts and attendance
- Claiming meals for school age children who don't have documentation of legitimate reasons for attendance at center
- Claiming meals for children who do not have a record of being in attendance during the meal
- 100% of parents refuse center's house formula for infants

Documentation must be kept of all household contacts. The documentation must include the date, the list of questions and answers (information obtained), the name and initials of the person conducting interview, the name of the person interviewed. File this information with other CACFP files for review.

Budget and FNS 796-2, revision 4

Sponsors must submit an annual CACFP budget. All expenditures must be allowable, reasonable, and necessary to operate the program. The guidance used to determine the allowability of expenses is the Food and Nutrition Services (FNS) Instruction 796-2, revision 4. Generally, if money is being spent on food and such administrative expenses as salary for approving IEFs and claim preparation, or operational expenses such as salary for preparing the meal records or paying the cook, or for printing the required paperwork, there is no problem with allowability.

Only 15% of the reimbursement may be used for administrative expenses. The actual amount is either the amount of administrative expenses or 15%, whichever is less.

Both operational and administrative salary worksheets will be found on CNPWeb. The worksheets are set up to be completed by person, however, if the sponsor has several facilities (for example: 10 or more) the worksheet may be completed by position per facility. An example would be "teacher 1," with the facility identified. The position commonly doesn't change, people often do. The administrative worksheet should not have this problem, since in general people in higher positions tend to stay longer.

When completing the salary portion of the worksheets, enter the total salary and the number of hours spent on CACFP. After clicking on the "calculate totals" button on the bottom of the page, the worksheet will automatically calculate the salary assignable to CACFP.

Tasks assignable to the operational portion of the program including cooking, supervising during meals, preparing meals, serving meals, grocery shopping, completing meals records, and point of service meal counts. Tasks assignable to the administrative portion of the program include training, claim preparation, data entry, filing, monitoring, IEFs, counting and recording meal counts, and bookkeeping. The above lists are not all inclusive and other tasks may also be assignable to either operational or administrative duties.

Information from these two sheets will rollover to the summary sheet. One important thing to remember is that the amount of expenses must be covered either completely by CACFP reimbursement or by a combination of reimbursement plus other center income.

Facility Additions

In order for a sponsoring organization to add either an affiliated or unaffiliated center, certain requirements must be completed before the facility can be approved and claimed. The required information and documents include an amended budget or indication no administrative money will be used, preapproval monitoring, preapproval training, Department of Commerce report,

facility child care license or documentation they are license exempt, documentation that 25% of enrolled children are free or reduced price for a for-profit center, and for non-profit institutions, board minutes approving participation.

The Sponsor Facility Addition Cover Sheet is a checklist of all the information and documentation that is needed. When adding a facility, collect the documentation, complete the cover sheet, and submit all the documentation at once. There is a place on the cover sheet for the sponsor to sign. Although not signing the sheet will not prevent the facility addition, it does serve as a reminder to the sponsor that all the required information has been obtained and ready to be submitted.

Once the documentation is submitted, the responsible individuals will be matched against the National Disqualified List, child care licensing will be checked for child care centers, and the Department of Commerce will be verified. When the application materials are completed, the sponsor will be notified of the date the facility meals can be claimed. Meals cannot be claimed prior to the approval date.

CNPWeb

CNPWeb is intended not only for claim submission, but also for all sponsor and facility information needed to participate in CACFP, including the budget and management plan. These electronic documents are considered “living” and changes should be made as they occur. Changes include phone numbers, change in directors, change in e-mail address, updating Department of Commerce dates, updating license dates, changes in operating procedures (management plan), etc.

Access to CNPWeb is obtained by completing the CNPWeb Access form, which can be obtained from our office. Staff who leave their positions and have access to CNPWeb should be removed. Failure to remove a person who has left employment leaves the sponsor open to liability. Passwords to CNPWeb should also not be shared, for the same reason. The sponsor remains responsible for any changes made to CNPWeb that originate outside the USOE.

Once changes have been made satisfactorily, the form should be put into pending approval by clicking the button at the bottom of the CNPWeb page that says to submit the form to the state for approval. If the form stays in pending submission, it indicates it is still in process of completion.

The state office approves all changes made to ensure they have been done correctly. If approval needs to be done immediately, for instance when updating licensing information when trying to submit a claim, call the CACFP coordinator. If the coordinator is not available, call the specialist, who can approve in the absence of the coordinator.

If a facility does not appear on the claim submission page, the most common reason is an expired license. Update the information on the facility sheet, get it approved at the state office

level, and the facility should show up so a claim can be submitted. Do not fake the license date, or push them forward past the actual license expiration date.

Remember that deliberately submitting incorrect or false information can endanger program participation.

Announcement Page

An announcement page comes right after the CNPWeb puzzle page. This page is updated prior to the new fiscal year with instructions on rolling over information. It may also be updated with other important information during the year. The sponsor is responsible for informing their facilities of all appropriate information distributed in this manner.

CNP Website

Be familiar with the CNP website. A “What’s New” section has been added to the CACFP home page. The CACFP home page and the Form, Recipes and Guides page is updated with additional information on a regular basis.

Other

Field trips taken by a facility must be submitted first to the sponsor for review and approval prior to submitting to the state office.

The institution agreement number is the two letter, or letter-number combination found in front of the institution’s name on CNPWeb. This identifies the institution for state office purposes and is assigned during the participation approval process.

Every institution and sponsoring organization is assigned a vendor number. The vendor number is required by Utah to receive reimbursement. The number is assigned by Utah’s Division of Finance.

Resources

- 7 CFR 226 - Federal regulations for CACFP, including appendix A and B: <http://www.fns.usda.gov/sites/default/files/CFR226.pdf>
- FNS 796-2 Rev 4 - Financial Management-Child and Adult Care Food Program
- USDA CACFP website: <http://www.fns.usda.gov/cacfp/child-and-adult-care-food-program>
- Utah CACFP Website: <http://www.schools.utah.gov/cnp/Child-and-Adult-Care-Food-Program.aspx>