

**Bright From The Start**  
**Georgia Department of Early Care and Learning**

**Child and Adult Care Food Program**  
**Application Instruction Booklet**  
**Renewal FY 2008**



“Working together with our partners to **eradicate** hunger and ensure nutritious meals for **ALL** Georgians.”

The Child and Adult Care Food Program is an equal opportunity program. If you believe you or anyone has been discriminated against because of race, color, national origin, sex, age, or disability, write immediately to: USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410 or call (800) 795-3272 or (202) 720-6382

# Table of Contents

CACFP Application Instructions.....	1
SECTION A - INSTITUTION APPLICATION INFORMATION .....	1
SECTION B- ADDRESS INFORMATION .....	2
SECTION C - CONTACTS.....	3
SECTION D - BOARD MEMBER INFORMATION.....	4
SECTION F - FINANCIAL INFORMATION.....	4
SECTION H - RECORD KEEPING.....	5
SECTION I - WIC SECTION.....	5
SECTION J - CACFP CERTIFICATION .....	6
SECTION K - MANAGEMENT PLAN .....	9
SECTION M - REFER TO THE CENTER INFORMATION BELOW.....	25
SECTION P - REQUIRED APPLICATION FORMS/DOCUMENTS.....	25
Center Site Information.....	25
SECTION A - CENTER/SITE INFORMATION.....	25
SECTION B - LICENSING AND CACFP OPERATING MONTHS INFORMATION.....	<b>ERROR! BOOKMARK NOT DEFINED.</b>
SECTION C - ORGANIZATIONAL TYPE .....	29
<i>Site Pricing</i> .....	30
SECTION D - ASCS- AT RISK AFTER SCHOOL CARE SNACK.....	33
SECTION E - HOURS OF OPERATION AND MEALS SERVED.....	34
<i>Agreement/Contract to Furnish Food</i> .....	35
SECTION F - EMERGENCY/HOMELESS SHELTER MEALS SERVED.....	<b>ERROR! BOOKMARK NOT DEFINED.</b>
SECTION G - RACIAL/ETHNIC DATA - .....	35
SECTION J - CENTER/SITE REQUIRED APPLICATION FORMS AND DOCUMENTS.....	36
Day Care Home Provider Information .....	36
SECTION N - PROVIDER INFORMATION .....	37
Instructions - Budget Package.....	38
How to Complete the Budget Package .....	39
PRORATING.....	45
ALLOCATION METHODOLOGY .....	46
<i>Proration Example:</i> .....	49
PRIOR APPROVAL BUDGET ITEMS .....	51
Center Roster of Food Program Participants.....	54
AFTER SCHOOL PROGRAM ROSTER .....	55
INCOME ELIGIBILITY STATEMENT .....	56
Day Care Home Sponsors: .....	56
HOUSEHOLD LETTER INSTRUCTIONS .....	59

# CACFP Application Instructions

The CACFP Application provides Bright From The Start with the information required to approve an organization to participate in the CACFP. Please review the information on the application for accuracy and complete all other fields that are blank.

## **Section A - Institution Application Information**

**Institution Name** - the name of the institution is not modifiable by the organization. If you have a name change, you should notify the Application Specialist at 404.651.6191 and describe the reason for the name change. Change of ownerships cannot assume the agreement number of the previous owner. A new agreement must be assigned. You must alert the Application Specialist of these changes.

**Agreement Numbers** - numbers are assigned by Bright From the Start and cannot be changed by the organization.

**FEI #** - Federal Employer Identification Numbers are assigned by the Internal Revenue Service. Usually a change in this number indicates a business change of some sort. This field is not modifiable by the organization. You must notify the application specialist of FEI # changes and the circumstances surrounding these changes.

**(Item # A-1) Sponsor Type** - indicate type of organization from the following options:

- 1) **Independent Center** - operates the CACFP at one location only.
- 2) **Center Sponsor** - owns, or governs more than one site that operates the CACFP.
- 3) **Administrative Sponsor** - does not own, but sponsors more than one center based program that operates the CACFP.
- 4) **Day Care Home Sponsor** - sponsors more than one family day care home provider or informal provider.

**(Item # A-2) Number of Active/Approved Sites/Providers** - the number of sites the sponsor is submitting an application to participate on the CACFP for the new fiscal year. CNP 2000 will populate this number based on the number of sites entered in Section M.

**(Item # A-3) Board of Education** - check here if the institution is a Board of Education.

**(Item # A-4) Organization Type** - indicate if the organization is a for-profit or a non-profit organization. All non-profit organizations must enter their Tax Exemption Date. If you are a Public institution and do not have a 501(c) 3 letter from the IRS, enter the date that organization was established.

(Item # A-5) Ownership Code - indicate the ownership code that most accurately represents the organization from the following options:

**Sole Owner, Government, Partnership, Limited-Liability Company, Out of State Corporation, or Corporation (incorporated in Georgia)**

(Item # A-6) Vendor Type - indicate the category that most accurately represents the organization from the following options: **Private, Government, Public, Other**

(Item # A-7) Organization's Demographic Designation - indicate the group to which the owner of the business, the majority of the partners, or the majority of the board members belong.

(Item # A-8) Business Type - indicate the category that most accurately represents the organization from the following options:

**Minority Company:** (a) owned by a member of a minority race or (b) a partnership comprised of one or more members of a minority race or (c) a public corporation of which a majority of the common stock is owned by one or more members of a minority race. A minority race is defined as an individual who is a member of a race, which composes less than 50 percent of the total population of the State of Georgia.

**Small Company:** Business has less than 100 employees or less than \$1,000,000.00 in gross receipts per annum.

**Minority & Small Company:** Business falls into both categories.

**Other Company:** Vendor is neither a small nor a minority owned business.

(Item # A-9) Application Type - indicate the type(s) of participant enrolled in the facilities that operate the CACFP. Check all that are applicable. *NOTE: If you operate an After School Care Snack Program, Outside School Hours Care Program or Emergency Shelter you would mark child care sponsor.*

**Child Care Sponsor:** provide day care service for children at a day care center

**Adult Care Sponsor:** provide day care service for adults at a day care center

**Day Care Home:** provide day care service to children at a resident/home

Item # A-10 Institution Type - The organization must choose only one of the six options.

- Faith Based Nonprofit Organization - If your organization considers itself a faith based organization and is also a non-profit, choose the first option, "Faith based nonprofit."
- Secular Nonprofit Organization - If your organization is nonprofit, but is not faith based, choose "Secular nonprofit."
- For-Profit Organization - All for-profit organizations should choose the for-profit option.

- Federal, State or Local Government - Government operated organizations should choose "government" unless the organization is also an educational institution. If this is the case, choose educational institution.
- Educational Institution - Choose educational institution if the center is part of an academic or vocational institution operated by a federal, state, or local government or a private teaching institution for grades kindergarten and above.
- Other - If you feel your organization does not fit into any of the other categories, choose "Other."

## **Section B- Address Information**

(Item # B-1) Street Address - the address of the physical location of the institution's administrative office.

(Item # B-2) Mailing Address - the mailing address of the institution's administrative office.

## **Section C - Contacts**

(Item # C-1) CACFP Program Contact - Your Program Contact must be a legal employee of your institution, trained by Bright From the Start and certified by Bright From The Start as CACFP qualified. If this person has changed since last year, this person must attend Program Training as well as complete annual training. The Program Contact will function as your CACFP Program Manager and Trainer for this fiscal year.

Contact Name - list the individual that meets all the mentioned requirements. If this person has not attended Program Training, contact 404.657.1779 to register.

Phone - list the telephone number for the person listed as the contact name.

Position/Title - list the title of the person listed as the contact name.

Fax - list the fax number for the administrative office (if available).

E-mail - list the e-mail address for the contact name in the administrative office (if available).

(Item # C-2) CACFP Claim Contact - an individual that submits or assists with the submission of claims to the CACFP Program. This person can be the same as the program contact.

Contact Name - list the individual that will assist with claim submissions

Phone - list the telephone number for the claim contact person.

Position/Title- list the title of the person listed as the claim contact name.

Fax - list the fax number for the claim contact person (if available).

E-mail - list the e-mail address for the claim contact name (if available).

\*\* Address and Contact Information must be updated throughout the year. Make appropriate changes on CNP 2000.

## **Section D - Board Member Information**

Board member information only applies to incorporated organizations.

For each member that serves on the Corporation's Board, provide the following information:

### **(Item # D-1)**

Name - list the First, Middle, Last name of each member

Phone - list the telephone number where the person may be contacted

Address - list the business or home address of each member

DOB - list the date of birth (month, day, year) of each member (This is only required for the chairman of the board).

### **(Item # D-2)**

Family Relationship - indicate if any board member has any family relationship with other board members.

In order to complete this section, one of the Board Member's information must be entered and saved, regardless of any changes are made. CNP 2000 cannot recognize that this section has been viewed unless this action is taken.

### **Board of Directors Composition**

Bright from the Start CACFP Policy 28 requires that board members for private nonprofit organizations be comprised primarily of persons who are members of the community, who are not financially interested in the institution's activities, and who are not related to one another. If the nonprofit's board is not meeting the policy requirements, it will not be approved for participation or may be terminated from participation.

### **Board of Directors Oversight**

\*\*Please note that 7 Code of Federal Regulations Part 226.6(b)(18)(iii)(A) requires that the organization document adequate oversight by its governing Board of Directors. This regulation applies to private non-profits. As part of the review process organizations must be able to produce their most recent Board Meeting Minutes. The minutes must demonstrate discussion of the particular programs operated by the organization in order for the organization to receive approval. On an ongoing basis, the private nonprofit should keep the Board of Directors apprised of the status of and new developments with the Child and Adult Care Food Program.

## **Section F - Financial Information**

(Item # F-1) Business Year - state one complete business year for your organization (For example, Bright From The Start's business year starts on July 1<sup>st</sup> and ends on June 30<sup>th</sup>).

Other Federal Funds - indicate if your organization receives any monies from programs which are funded through the FEDERAL government. These funds should not include CACFP funding.

\*If YES, indicate the name of the source and the amount received during the most current business year.

(Item # F-2) Day Care Home Advance - this section only pertains to Day Care Home Sponsors and will not display in CNP 2000 for other types of sponsors.

\*Check the box if the organization would like to request an Administrative Advance.

## **Section H - Record Keeping**

(Item H-2)

Name and Address of Location of Records - indicate the name and location where CACFP records will be maintained. If records will be maintained at the sponsor's administrative office, check the box and this address will populate.

Name and Phone Number - indicate the name of the individual(s) who can access these records, and provide the phone number where they can be reached. **You must indicate at least one person other than the program contact.** This person must be trained and knowledgeable about the location and record keeping procedures.

(Item # H-3) Other Locations for Records - indicate whether ALL records will be maintained at the location listed above. If records will be stored in another location, provide the details of other locations, where records will be kept and what records are kept there.

(Item # H-4) Participating in CACFP in Other State(s) - indicate if the organization operates in other states using the same legal entity and the same FEI # that operates in Georgia. If applicable, provide the name of the states.

(Item # H-5) Recordkeeping Certification - check the "Yes" box to indicate that you are aware records will have to be maintained for three years even if the organization no longer participates in the CACFP.

## **Section I - WIC Section**

(Item # I-1) Women, Infants and Children - (WIC)

Section 107(I) of the Child Nutrition Reauthorization Act of 1998 (P.L. 105-336) requires that Bright From The Start provide all participants on the CACFP, except outside school hours, at risk after school care centers and adult centers, with yearly updates regarding income eligibility standards and program facts for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). Participants will download the WIC Fact Sheet and Income Guidelines from the Form Download menu in CNP 2000. Day Care Home,

Administrative, Center sponsors, and Independent centers must distribute this WIC information to the parents of children at the time of enrollment.

**\*\*\*If your programs are Adult only, At Risk-ASCS only or OSHC only, the WIC Section does not pertain to you. Check the "Not Applicable" box.**

#### **WIC Certification for Independent Centers**

Check the box to certify that as an Independent CACFP participant, you have distributed the WIC Fact Sheet and Income Eligibility Guidelines to the parents of children enrolled at your location.

#### **WIC Certification for Sponsors**

Check the box to certify that as an Administrative, Center or Day Care Home Sponsor participant, you have provided the WIC Fact Sheet and Income Eligibility Guidelines to all sites and providers under your sponsorship and ensure that the information is being given to parents of children enrolled at each location.

#### **Section J - CACFP Certification**

(Item #J-1) - Statements for ALL Participants - The CACFP regulations require compliance with these statements. Read each statement and indicate if your organization is in compliance with CACFP by placing a check in the box. You may use the sample form on the next two pages to gather information from your principals in order to make correct certifications.

(Item #J-2) - Statement for Incorporated Participants ONLY - Incorporated participants need to read this statement and indicate its compliance with applicable state rules and regulations.

***NOTE TO INSTITUTIONS: The sample letter and prototype form found on the next two pages is designed for your internal use. It facilitates the collection of information about the past performance and criminal records of all principals within your organization, to facilitate your completion of the required certifications on your CACFP application in Section J of the Institution application and certifications in the management plan.***

Sample letter to Board members, managers, and supervisors in organizations participating in the  
Child and Adult Care Food Program (CACFP)

Dear [Name of Principal]:

As you know, the [Name of Institution] participates in the Child and Adult Care Food Program (CACFP), which is administered at the Federal level by the United State Department of Agriculture (USDA). In recent years, the CACFP experienced problems with financial accountability and Program integrity that received National media coverage and generated congressional calls for Program changes. As a result, Congress passed Public Law 106-224, the Agricultural Risk Protection Act (ARPA), which mandated a number of changes to Program eligibility for organizations like ours. On June 27, 2002, USDA published a rule that implements these changes. In order to implement the above requirements, USDA established a number of new regulatory requirements:

- As part of their application and re-application to participate, organizations must provide certifications concerning the past performance and criminal convictions of their organization and its "principals." USDA has included "principals" in this requirement because it believes that an organization's performance and accountability is best assessed with reference to the people who manage and oversee the organization. The regulations define "principals" as all managers and supervisors in the institution, as well as any members of the institution's governing board of directors, or similar body.
- Certifications must attest to the performance of the organization and its principals during the preceding seven (7) years.
- Certifications must elicit information about business-related criminal convictions. Please note that criminal convictions do not include civil judgments or indictments that did not result in convictions. The regulations provide a list of such business-related offenses that includes fraud, forgery, theft, making false statements, claims falsification, destruction of records, bribery, embezzlement, receiving stolen property, obstruction of justice, and antitrust violations.
- As part of its Program application or re-application, each organization must provide identifying information concerning the chairperson of the organization's board of directors and its executive director, or individuals in comparable positions. A date of birth is required from these individuals to enable Federal and State officials reviewing the National Disqualified List to differentiate between individuals with similar or identical names.

As a result of these new requirements, the [Name of Institution] will need to establish a method of collecting relevant information from all of our principals, in order to fill out the required certifications during our next re-application. To help organizations collect the information regarding past performance and criminal convictions, as well as the two principals' dates of birth, USDA developed a prototype form, which is attached. The [Name of Institution] has adopted this form as our method of collecting the information necessary to include in our next re-application. Because our re-application will not be considered complete and approvable without this information, I urge you, as one of the [Name of Institution's] principals, to fill out and return the form to me at your earliest convenience.

Thank you for your prompt cooperation.

PROTOTYPE FORM  
 INFORMATION TO GATHER FROM PRINCIPALS IN ORGANIZATIONS APPLYING OR  
 REAPPLYING TO PARTICIPATE IN CACFP

**Section I. During the past seven years, if you were employed as a supervisor or manager by any organization that participated in a publicly-funded program (any program funded wholly or in part by Federal, State, or local dollars), or if you were a member of a governing board or similar body of any organization that participated in a publicly-funded program, please list the name of the organization, the name of the publicly-funded program, your job title, and the years of your association with this organization/program:**

Name of Organization	Name of program	Job title	Years associated

**Section II. For each of the following statements, circle whether you have or have not completed the action.**

- I have / have not been a principal in an organization participating in a publicly funded program that has been ruled ineligible as a result of violating that program's requirements during the past 7 years;
- I have / have not been convicted of a business-related offense during the past 7 years.
- I am / am not on the Child and Adult Care Food Program's National Disqualified List.
  - If placed on the CACFP National Disqualified List, enter date placed on list.  
 Date: \_\_\_\_\_

**Section III. Read the following statements. If you hold any of the following positions for the organization requesting this information, complete the items listed below.**

- The chairman of the board of an incorporated organization; or
- The chairman of the governing board of a public or quasi-public entity; or'
- The owner of a for-profit business; or
- The manager or president of a corporation or a Limited Liability Corporation; or
- The executive director, or comparable director of operations, in a private nonprofit, proprietary, or public institution applying to participate in CACFP:

My full name is: \_\_\_\_\_

My date of birth is: \_\_\_\_\_

My business mailing address is: \_\_\_\_\_

**Section IV. Please sign and date below.**

Legal signature: \_\_\_\_\_

Date: \_\_\_\_\_

*NOTE: Any organization or individual that provides false information on this form will be subject to applicable civil or criminal penalties.*

## **Section K - Management Plan**

All institutions including Independent Centers must have a complete and current management plan that details how the CACFP will be managed. The management plan is designed for the organization to answer questions concerning its viability, capability, and internal controls.

Each question of the plan must be answered, so if a question does not pertain to your organization, you should indicate that it's not applicable in the text box.

### **Section I - Principal and Certification**

**Item 1** - Indicate the Executive Director, Owner, Superintendent, CEO, or other person who has been elected or appointed to assume legal responsibility for the organization. The person listed should have authority to make binding agreements or sign contracts for the organization that is making the application for participation in the CACFP.

For most private non-profit organizations, this is the Executive Director. In a for-profit organization, this is the owner or in the public school system, this is generally the superintendent for the school system. Other persons must be elected or appointed by a Board of Directors to assume the responsibility. The person in this position must sign the Agreement for Participation. If any other person signs the agreement other than the one listed in Section I of the management plan, then the "chief officer," whatever the position title, must submit a letter or a "certificate of authority" to verify any delegation of signature authority to that individual.

The date of birth of this person is required by 7 Code of Federal Regulations 226.6(b)(15).

### **Section II - Organization and Administrative Personnel**

**Item 1** - In this section the organization should indicate the names of all individuals that complete any CACFP administrative duty. Those individuals that complete operating functions such as cooks should not be listed in the management plan.

In order to complete this section, one of the staff's information must be entered and saved, regardless of whether any changes are made. CNP 2000 cannot recognize that this section has been viewed unless this action is taken.

**Position Status** - The drop down list is comprised of the following choices: 1) Co-owner 2) Salaried staff and 3) Hourly staff. Because there is only one input field in Section I, Item 1 for the organization to indicate an owner, those organizations that have partners

should indicate additional owners in this section. Salaried or hourly staff should be chosen for other employees who have no ownership interest. Individuals who are not legal employees of the organization should be listed in Section III, Item 1.

**Job Description** - The drop down list of this section is comprised of the following choices: 1) Program Contact; 2) Monitoring Staff; 3) Accounting/Financial and 4) Other Administrative. Although an employee may do all functions, the best choice should be made for each person. Actual duties for each staff will be selected in Item 2.

**Date of birth** - Date of birth is only required for individuals who are owners but are not listed in Section I, Item 1 Principal and Certification. The date of birth is not needed for other employees who have no ownership interest.

**Item 2 - Administrative Duties** - Listed in this section are CACFP responsibilities. There is no limit in the amount of duties that can be selected. Select the duties that most appropriately fit the staff position. "General CACFP Administration" is a duty that can be chosen if the other options do not fit well. For Sponsoring organizations, if monitoring is selected under Administrative Duties, then at least one Monitoring Activity must be selected in the next column.

**Item 3 -Salary and Work Hours** - For each staff position, indicate how salary is paid. If the staff person works solely on CACFP and paid only from CACFP funds, then 100% CACFP funds should be chosen. If no CACFP funds are used to pay for labor costs for the employee, select the second option, 100% Other funding source. If the staff person works on CACFP and other tasks that are not CACFP related, or if another funding source is used to assist in the staff person's labor costs, chose the third option, Prorated between CACFP and other funding source. If this option is chosen you must estimate the allocation between funding sources. For example, 50% CACFP and 50% Pre-K. Lastly some organizations charge labor costs for certain employees who work on multiple programs through an approved cost allocation plan. Only if the organization has an approved cost allocation plan and the employee's position is listed as being charged in the cost allocation plan as an indirect cost can the last option, Indirect costs through Cost Allocation Plan, be chosen.

**Number of Work Hours** - Input the total average number of hours that the employee works **PER WEEK** for the organization completing all duties including those duties that are not CACFP related. Then input the estimated number of hours that the employee works **PER WEEK** only on CACFP duties. These estimates should be in line with the number of monthly hours worked as listed on the Administrative Budget if CACFP funds are used to pay for any part of labor costs for this employee.

\*Keep in mind that when converting the number of weekly hours into monthly hours, the number of weekly hours are multiplied by 4.33, not 4. A full time person working 40 hours a week would work **173** hours a month, not 160.

### **Section III. Operations**

**Item 1 Consultants/Contractors** - Individuals who are not legal employees of the organization and who are hired, as a contractor should be listed in this section and not in Section II. The name, CACFP duties the contractor performs and how the cost of the contractor is paid, either with CACFP funds or other funds must be indicated. The institution should ensure compliance with CACFP Policy 02-22. In addition when contractors will be paid with CACFP funds, the institution must indicate this cost in the budget under the Administrative budget worksheet 14 titled "Contracted/Professional Services." The organization must receive approval in writing from the Office before paying this cost. FNS Instruction 796-2 Rev. 3 provides the authority for this procedure under the cost item, "Legal Expenses and Other Professional Services." Administrative and DCH Sponsors should also refer to the Budget Guidance Manual for more information. The institution must still ensure compliance with CACFP Policy 02-22 even if contractors are not paid with CACFP funds.

**Item 2 Outside Employment Policy** - This question is applicable to and required to be answered only by Sponsoring Organizations by 7 CFR 226.6(b)(16) and will not be listed on the Independent Management Plan. The policy should address how the organization ensures that all employment, other than that employment by the institution holding the CACFP agreement, is approved by the institution and does not pose a conflict of interest with CACFP duties and restricts duties that interfere with program duties. This description should describe both the internal policy and the procedure to ensure employees are in compliance.

1) The internal policy could include the following:

- Outside employment cannot interfere with the individuals responsibilities to the organization
- Outside employment cannot present a real or apparent conflict of interest situation
- Outside employment cannot be performed during works hours at the organization

2) The description should also include compliance procedures such as having all employees inform management of outside employment by written notice and having approval granted by a supervisor.

**Item 3 Field Offices** - This question is applicable to Administrative and DCH Sponsors only. List the physical address of any offices that are maintained by the institution other than the address listed in the application.

#### **Section IV. Financial**

**Item 1** - Institutions that are Administrative Sponsors and DCH Sponsors operate on the CACFP under the same legal entity, but are assigned separate Agreement numbers due to the functions that are performed under each sponsorship. In addition, some mental health organizations were assigned separate agreement numbers although their legal operating entity is the same. Those organizations whose legal operating entity have been assigned more than one agreement number, should check yes to this question.

**Item 2** - Other funding revenue is requested to ensure the organization's financial viability. The organization must be financially viable and not dependent upon CACFP reimbursement in order to operate as CACFP reimbursement is an enhancement to your normal operations. Therefore all funding sources, **other than the CACFP**, must be listed in this section.

Specific revenue sources should be listed; the amount of the revenue for the frequency listed should be indicated. For example when listing private tuition paid, the total amount of revenue received for all enrolled participants should be listed for the frequency chose, either weekly, monthly, or yearly. The payment per participant should not be listed. The purpose is to list ALL the funds received to determine whether the organization has enough funds coming in to sustain its operations.

Some examples of specific revenues are Private tuition, Childcare and Parent Services (DFCS Title XX), Georgia Pre-K funding. All other funding sources should be listed.

If the funding source is from a local, State, or Federal government, then "yes" should be checked to answer the question, "Is this program publicly funded?" Any government-funded program is considered publicly funded. If yes is checked, this program will populate to Section V.

**Item 3** - Organizations should use CACFP reimbursement as an enhancement to their food program. The organization must be able to sustain temporary delays or losses in CACFP funding and still be able to operate. If this is not the case, the organization must check no to this question.

**Item 4** - FNS Instruction 796-2 Rev. 3 provides the guidance for allowable and unallowable costs that can be paid with CACFP reimbursement. Administrative and DCH

Sponsors should also refer to the Budget Guidance Manual. If costs that are not allowable under the program were paid with CACFP funds, the CACFP account would have to be repaid with funds from another funding source. The organization should indicate the funding source that would be used to repay any unallowable costs that may have been paid with CACFP funds.

**Item 5** - This question is applicable and will only display for independent centers. It pertains to how the CAFRP reimbursement will be spent. If the organization will be applying the reimbursement to any administrative costs, prior approval or specific prior approval items, check yes. Checking yes will require that a Budget Package be completed. Administrative costs are those costs that are incurred to plan, manage, or evaluate the CACFP operations. An example would be the labor costs that are incurred by the program contact when completing paperwork. Prior Approval or specific prior approval items are listed in a document that can be reviewed by selecting the link. The organization must receive approval in the budget for any of the items listed prior to paying the cost. Review the document to ensure there are no costs that will require prior approval. If not, check no.

## **Section V - Publicly Funded Programs**

**Item 1** - All institutions are required by 7 CFR 226.6(b)(13)(A) to list the publicly funded programs in which the institution and any of its principals have participated in the last seven years. Any programs that are funded by a local, State, or Federal government is a publicly funded program. If you are not certain of the source of particular revenue, you should contact the funding source and inquire. Any program for which the organization is currently receiving funding for should have been listed in Section IV and would have automatically populated to this section.

**Item 2** - In this section the organization must list publicly funded programs with which any principals have been associated within the last seven years. A principal is defined as an individual who holds a management position within, or is an officer of, an institution or a sponsored center, including all members of the institution's board of directors or the sponsored center's board of directors. You should only list the names of the principals associated with public programs during their representation of another organization and list the organization with which the principal was associated along with the dates of participation.

**Item 3** - The organization must certify that the institution nor any of its principals have been declared ineligible to participate in any other publicly funded program due to violating that program's requirements. Organizations providing false certifications will

be placed on the National disqualified list and will be subject to any other applicable civil or criminal penalties.

## **VI. Internal Controls - Accounting**

### **Item 1 - Indicate the institution's financial management system**

A financial management system describes how financial accounts are organized and maintained. Federal Grants Management regulations found at 7 Code of Federal Regulations 3015, 7 CFR 3016, and 7 CFR 3019 require institutions to have an accounting system that separates and distinguishes the financial activity specific to the CACFP Program within the setup of the accounting records.

There are basically two ways to document financial records:

- 1) Accounting Ledger documented by hand with pen and paper; or
- 2) Financial Accounting Software that's entered into a computer program such as QuickBooks or Peachtree Accounting

The organization **MUST** indicate which of these methods are used. If the organization uses accounting software, indicate the software product used.

If there is no internal knowledge as to how to set up accounting records, the organization may use a bookkeeper or an accountant and charge the portion of the CACFP cost of maintaining this service to the CACFP.

### **Administrative, Center, and DCH Sponsor Plan Item 2 - Type of Accounting System Used**

The following are accounting methods:

- 1) Cash - An accounting method where transactions are recorded when the actual charge of payment occurs, regardless of when the goods or services are delivered.
- 2) Accrual basis - A method of accounting where transactions are recorded as they occur regardless of when payment for that transaction is made or received.
- 3) Modified - Some combination of two

The plan must specifically state the type of accounting method used. The organization's financial office or accountant **MUST** be consulted if the program contact is unaware of the method used.

### **Independent Center Item 2, Administrative, Center Sponsor and DCH Sponsor Plan Item 3 - Tracking CACFP Funds Separately from other funds including coding of**

**operating and administrative Costs** Institutions must be able to distinguish in their financial records the source of funding and how the funding is used. **The following options should be chosen when creating a financial management system and the specific option used MUST be described in the management plan:**

**Option 1** - Use a chart of accounts to identify income source names and expense source names.

**Option 2** - Have a common chart of accounts with specific revenues and expenses separated by the individual programs.

**Option 3** - Maintain a separate bank account and separate financial records solely for CACFP income and expenses. Minimum accounting records include:

- Check registry
- All receipts and supporting documentation required by FNS Instruction 796-2 Rev. 3
- Monthly Record of Operating Costs form
- Monthly Record of Administrative Costs form
- Proration methods on file for prorated costs

If using a separate account solely for food program operations income and expenses, the organization must maintain separate accounting records as well. It is not acceptable for an organization to state they will maintain separation of CACFP funds by using a separate account, if this separate account is documented within the same accounting system as the other accounts maintained within the organization.

Describe the institutions system for separating administrative from operating costs. Refer to the Budget Package instructions for information on the difference between operating and administrative costs.

Three methods for distinguishing these costs from one another. The method used must be specifically listed:

-Method 1 - Distinguish in the accounting system by having specific accounts noted as operating or administrative costs

-Method 2 - Maintain the Bright from the Start Monthly Record of Operating and Monthly Record of Administrative Costs forms

-Method 3 - Do not use CACFP reimbursement to pay for any administrative costs

### **Calculating the reimbursement for each sponsored facility's claim**

**Administrative Sponsor Plan Item 4** - Only actual costs incurred each month, but no more than 15% of each sponsored facility's monthly reimbursement can be deducted for administrative fees. Describe the organization's process for calculating the monthly fee keeping in mind Item 5 of the plan, Sponsored facility's administrative costs.

### **Tracking Administrative Costs of Sponsor and Sponsor Facilities' Adm. Costs**

**Administrative Sponsor Item 5 & Center Sponsor Plan Item 4** - If sponsored centers use any of their reimbursement to pay for any administrative costs, as an

Administrative sponsor, the sponsor's administrative fee would be decreased. Total administrative costs for both the sponsor and the sponsored facility combined cannot exceed 15%. Describe how the sponsor determines what costs the sponsored facility uses their reimbursement for and how the sponsor ensures that the sponsor's and the sponsored facility's administrative costs remain at 15% or below.

**Day Care Sponsor Item 4 - Documenting sponsor's administrative costs -**

Describe how CACFP reimbursement is coded in financial records to distinguish administrative reimbursement from food reimbursement that will be distributed to providers.

**Administrative Sponsor Plan Item 5 - Sponsored facility's administrative costs -**

If sponsored centers use any of their reimbursement to pay for any administrative costs, the sponsor's administrative fee would be decreased. The Administrative Sponsor and the sponsored facility's administrative costs combined cannot exceed 15%. Describe how the Sponsor determines what costs the sponsored facility uses their reimbursement for and how the sponsor ensures that the sponsor's and the sponsored facility's administrative costs remain at 15% or below.

**DCH Sponsor Plan Item 5 - Food reimbursements versus administrative funds received**

Describe how CACFP reimbursement is coded in financial records to distinguish from food reimbursement administrative reimbursement.

**VII. Internal Controls - Claim for Reimbursement**

**Adm., Center, and Independent Management Plan Item 1 -**

This question is only applicable to For-Profit centers. If the organization is a non-profit and does not sponsor any For-Profit centers, the organization should indicate that this question is not applicable.

Each for profit child center must qualify for the CACFP each month in order to claim reimbursement by having 25% of the facilities' enrollment or licensed capacity, receiving child care subsidy (Title XX), or 25% that qualify for free or reduced price meals, or for adult centers, 25% of enrolled participants or the licensed capacity must receive Title XIX benefits. The center cannot assume it qualifies each month but must actually ensure by comparing the number of participants which receive the benefits noted (Title XX, F/R Price meals, or Title XIX) against the total enrollment or licensed capacity. The total number of participants receiving the benefits is divided by the total enrollment or licensed capacity to determine the percentage of eligible participants. If

this percentage is less than 25%, the center is not eligible to file a claim for reimbursement for that month. Each sponsored center must qualify individually and this verification must occur each month when submitting the claim for reimbursement.

The plan should describe how eligibility is checked each month to include:

- the specific staff position that will perform this check; and
- the steps used to verify eligibility

**Administrative Sponsor Item 2, Center Sponsor Item 2, Independent Center Item 2 Day Care Home Sponsor Plan Item 1 - Describe the procedure to verify that all Daily Menus and Food Service Records are reviewed for compliance with the meal pattern prior to submission of claims. Describe what procedures are used to ensure that meal counts are accurate.**

The regulations require that the institution document practices that show that only eligible meals are claimed for reimbursement. Therefore it is necessary for all institutions to review all documented menus before submission of the claim for reimbursement. It is inadequate for the institution to conduct this review at the beginning of the month at the creation of the anticipated menu due to the fact that substitutions may take place on any given day.

The institution must have a system in place to review all menus after the food service has taken place and before the submission of the claim. To provide for internal controls the person who creates and/or documents the menu should not be the person who reviews for accuracy prior to the claim.

The plan should describe the how the following is accomplished:

1) Menus are checked for the following:

- All components are creditable
- Meals are not documented for days in the month in which the center did not operate
- Meals are not claimed over licensed capacity

2) Meal Counts are accurate by checking the following:

- Meals are not documented for days in the month in which the center did not operate
- Meals are not claimed over licensed capacity
- Review for block claiming which means the same number of meals claimed for 15 days in row

**Administrative, Center, and DCH Sponsor Management Plan Item 3**

When sponsored facilities submit Daily Menus or other records that contain non-creditable meals or errors, it is the responsibility of the sponsor upon review of these records to disallow non-creditable meals from the claim for reimbursement and notify the sponsored facility of the error, and if needed provide technical assistance to the facility to prevent any future errors from occurring. Reductions in anticipated reimbursement should always be documented in writing and provided to the sponsored facility. Describe the institution's process for notifying the sponsored facility of the error and when necessary obtaining corrective action.

#### **Administrative Sponsor Item 4**

Some sponsors have pre-printed menus that must be utilized by the sponsored facility as part of the agreement with the sponsor rather than the facility having the ability to create their own menus. If it is found that the sponsor made an error in the creation of the menu and a meal is found to be a non-creditable meal, the sponsor may not penalize the facility for their error in the creation of the menu; therefore, the sponsor must repay all reclaims of meals served from the pre-printed menu. The sponsor should detail their procedures for repayment of funds in this situation without requiring the facility to repay the funds. If in the situation that a facility deviated from the pre-printed menu and substituted a non-creditable meal for one that would have otherwise been creditable, the sponsor would not be responsible for repayment.

#### **Day Care Home Sponsor Item 4**

Because facilities must not collect the Income Eligibility Statements (IES) from their enrolled participant's households, it is the responsibility of the sponsor to obtain IES forms and ensure that all statements are renewed. Describe the sponsor's procedures for obtaining these forms and how the sponsor keeps track of forms that are expiring (IESs are valid for one year from date of signature by household). Since participants enroll throughout the year, describe the system the sponsor has in place to check for expiring forms.

#### **Day Care Home Sponsor Item 5**

See explanation under Administrative Sponsor Item 4.

#### **Adm. Item 5 and DCH Sponsor Item 6**

Describe the sponsor's process for meeting the timeframe of dispersing provider payments within 5 business days of receipt from the State Agency.

#### **Day Care Item 7**

Self-explanatory.

## **VIII. Recordkeeping and Training**

### **Item 1 Describe procedures for maintaining records for the federal record retention period, 3 years plus the current year.**

Federal Grant Administration rules require that any and all records that must be maintained for participation in the CACFP be maintained for the current fiscal year, plus the three fiscal years prior to the current year. Additionally records must be maintained longer if there is an active audit or investigation of the organization being conducted.

Describe where within the building the CACFP records can be found to include:

- »The office location,
- »The exact storage area
- »The record keeping system

### **Adm. Center and Independent Management Plan Item 2**

Describe how the organization provides the Income Eligibility Statement to all household members for completion. Since Income Eligibility Statements are only valid for one year from the date that the statement is signed by the household member, the organization must have a plan in place to update the statements.

The organization can choose two options for updating income statements:

- Update every participant's IES at the same time regardless of when the IES was completed
- Update IES based on individual expiration dates

If the organization chooses to update all statements at one time in the year, the organization should indicate the specific month that is chosen in the year to perform this task. It's recommended the organization perform this task in July or August since the new income eligibility guidelines are issued in July.

For those organizations that will update each IES based on its individual expiration date, you must describe the process the organization has in place to know when the IES expires and you must describe a system that allows for obtaining a new statement prior to the expiration of the previous statement. Simply stating that the statements will be updated prior to expiration is not sufficient. The organization must detail how the expiration dates are tracked and on what frequency.

The assignment of categorizing Income Eligibility Statements as a job duty should be carefully chosen so as to protect the privacy of households. Access to these

statements should be limited to the individual responsible for this duty, and this person must be made aware of the fact that the information on the statements is confidential. Describe the position title responsible for categorizing Income Eligibility Statements.

**Adm. and Center Sponsor Management Plan Item 3**

Sponsored facilities records must be obtained at the end of the month prior to filing the claim for reimbursement so that the edit checks described in Section VII can be performed and so that financial records can be documented. Describe the procedure in place for the sponsor to obtain these records from sponsored facilities.

**Adm. and Center Sponsor Management Plan Item 4 and Day Care Home Sponsor #4 - Describe the institution's plan for conducting training for each staff that performs any CACFP duties. Indicate your procedures for training newly hired staff.**

All staff persons who work for the organization must receive training concerning their position requirements. Detail the organization's process for providing their staff persons with the knowledge necessary to complete their CACFP responsibilities.

Additionally all monitors must receive training per 7 CFR 226.15(e)(14) that includes the following:

- Meal Patterns
- Meal Counts
- Claims Submission
- Review Procedures
- Record Keeping Procedures
- Reimbursement System

Describe the organizations process for training monitors. Include each required item or state that monitors will be trained per 7 CFR 226.15(e)(14) and include the plan for training these monitors.

**Adm. and Center Sponsor #5 and DCH Sponsor Management Plan #3 - Describe the institution's plan for training new facilities before they begin operations in the CACFP. This description must include the staff position or other person who will conduct the training.**

Federal regulations, 7 CFR 226.16(d)(2) requires training for "key staff" for all new facilities before they begin operation of the CACFP. Training must include the following items:

- Meal Patterns
- Meal Counts
- Claims Submission

- Review Procedures
- Record Keeping Procedures
- Reimbursement System

Key staff" is defined in Bright from the Start's CACFP policy # 20 as a facility employee(s) who is responsible for the overall management and administration of the CACFP for the facility.

Detail how and when the organization provides this training to new facilities and the staff position(s) within the organization that provide the training. The organization must have an established agenda for providing this training that includes the above stated requirements.

**Adm. and Center Sponsor #6 and DCH Sponsor Management Plan #4 - Describe the institution's plan for training all participating facilities for the upcoming fiscal year.**

Per 7 CFR 226.16(d)(3) sponsors are required to conduct annual training for "key staff" for all sponsored facilities. Training must include the following:

- Meal Patterns
- Meal Counts
- Claims Submission
- Review Procedures
- Record Keeping Procedures
- Reimbursement System

Annual training must vary each year based on the needs of the participants. The training locations may be the same or vary each year as well as the number of trainings that may be held. However, the sponsor must provide at least one training session and identify the location and date of the proposed training. The organization must also certify that a training agenda is on file for the upcoming trainings.

## **Section IX. Meal Service and Facility Eligibility**

### **Section IX Item 1 Point of Service Meal Counts and Training of Staff**

Point of service meal counts mean that the number of meals that are served to participants are counted when the meal is actually served to participants. It is not sufficient to count meals before the cook prepares the plates to bring to the room. The only acceptable means of counting the number of meals served is during the service or immediately after the service.

Sponsors must describe how their facilities are trained on conducting these counts

Independent centers must describe how the staff persons within their organization, whether it is the cook or teachers, are trained to perform point of service meal counts.

Day Care Home sponsors should train their providers on the preferable method of performing meal counts at the point of service, but no later than the end of the day.

### **Section IX Adm. and DCH Sponsor Management Plan Item 2**

As part of the edit checks that must be performed prior to submitting the claim for reimbursement, the sponsor must ensure that sponsored facilities are only claiming the meal types that have been approved on the application.

### **Section IX Center Sponsor and Independent Management Plan Item 2**

List all the holiday or other closings that are regularly scheduled for the organization. Do not list individual dates, but least either the name of the holiday. For example, Labor Day, or day before and after Christmas.

### **Adm. and Center Sponsor Management Plan #3**

Non-profit centers must have tax-exempt status under the IRS code in order to be eligible to participate in the CACFP. A letter from the IRS stating the organization's designation as tax-exempt under the IRS Code of 1986 is verification of tax-exempt status. Churches which have not applied for tax-exempt status from the IRS must still provide verification of non-profit status by showing they are organized and meet the IRS non-profit requirements. This verification is generally found in the Articles of Incorporation.

For profit centers must qualify for the program by having 25% Title XX / XIX or childcare centers may use 25% Free and Reduced price meals as an alternate eligibility method. Describe the documents obtained and the procedures for obtaining documents to ensure the facility qualifies for the program.

### **DCH Management Plan Item 3**

Describe what methods the sponsor uses to recruit new facilities for the CACFP.

### **Adm. and Center Sponsor Management Plan #4**

Per Bright from the Start CACFP Policy # 35, facilities must meet all licensing or approval requirements. Describe how these documents are obtained from facilities to ensure eligibility.

#### **DCH Management Plan Item 4**

Since provider registrations expire each year, describe how the sponsor tracks when registrations will expire and ensures that a new registration is received and submitted to the State Agency within 90 days of the expiration date. Additionally describe the procedure for ensuring that informal providers are enrolled with the Department of Family and Children Services prior to sending in the application.

#### **Adm. and DCH Sponsor Management Plan Item 5**

Describe the organization's policy on the length of time the agreement with the provider is valid. DCH Sponsors must take a permanent agreement with all family day care home sponsors. If Administrative sponsors renew their agreements, describe the interval at which they are renewed and the process for obtaining the new agreement.

#### **DCH Management Plan Item 6**

Self-explanatory.

#### **DCH Management Plan Item 7**

Self-explanatory.

#### **DCH Management Plan Item 8**

Sponsors are responsible for obtaining the completed Income Eligibility Statements from provider's enrolled participant households. Describe how the enrolled participants receive the IES and how the IES is returned to the sponsor. Since IESs are only valid for one year from the date that the IES is signed by the household member, describe the system the organization has in place to track expiring IES forms and how new IES forms are obtained.

#### **DCH Management Plan Item 9**

Income Eligibility Statements contain confidential information that must be safeguarded. Describe how the sponsor ensures the integrity of these documents within the sponsorship.

#### **DCH Management Plan Item 10**

Self-explanatory.

### **Section X. Monitoring**

#### **Item 1**

All new facilities must receive a pre-operational visit prior to beginning operation of the CACFP. This pre-operational visit allows the sponsor to ensure that the facility has

knowledgeable and qualified staff to operate the CACFP. Describe when the pre-operational visit is conducted in relation to the required training provided to the new facility.

## **Item 2**

Describe in this section how the sponsor tracks the reviews that must be conducted. Do not list the monitoring requirements, but indicate the mechanism, such as a log or calendar, that is used to track and ensure that all monitoring requirements are met.

Indicate that all reviews will be conducted according to 7 CFR 226.16(c)(4) or indicate the organization's more strict schedule if it is more strict than the regulations. The organization must at a minimum comply with the regulations.

If Review Averaging will be used, the plan should state this and must describe the process for averaging.

## **Item 3 Describe the sponsor's procedures for (a) monitoring a complete meal service and (b) reviewing records during monitoring visit (include specific records reviewed during the visit).**

Describe the organization's procedures, particularly how the organization knows when to arrive at the facility to ensure that a meal is observed. Specify the timeframe for arrival to ensure the meal is observed.

Describe what records are reviewed in conjunction with the Bright from the Start review form to include:

Attendance Records

Enrollment Records (child care centers)

Daily Menu and Food Service Records

Receipts/Invoices and time distribution reports

Posted Menus

## **Item 4**

Describe the policy the organization has to determine when a follow-up review will be conducted and what findings would necessitate a follow-up.

## **Item 5**

Self-explanatory.

**Section M** - Refer to the Center Information section below.

### **Section P - Required Application Forms/Documents**

Section P informs the institution of all forms and documents that must be submitted to support the approval of the application. Bright from the Start forms can be downloaded from the form download menu in CNP 2000.

If the organization is submitting a Bright from the Start form that is in an electronic format, it may upload it to CNP 2000. If other documents must be submitted with the form, that are not in electronic form, the organization should mail the entire document to Bright from the Start.

Once the box under the heading "Documents submitted to BRIGHT FROM THE START " is checked, the current date will appear under the heading "Date submitted to BRIGHT FROM THE START." Documents must be submitted on the day the box is checked. If documents cannot be submitted on the same day, it is necessary to manually change the date under the heading "Date submitted to BRIGHT FROM THE START " to the date that document will actually be submitted.

## **Center Site Information**

Institutions must add each site into the fiscal year application and should correct information in CNP 2000. Only add applications for those centers being renewed for participation. Sites being deleted from participation for the fiscal year do not need to be submitted.

Institutions who are adding a **new** site to the program must submit the Add-a-Site package to the CACFP Application Specialist. New sites cannot be added through the renewal process.

### **Section A - Center/Site Information**

**(Item #A -1) Site Street Address** - the physical address for the **site location** to include the county in which the site is located.

**(Item #A -2) Site Mailing Address** - the mailing address of the **site**.

**(Item #A -3) Site Contact Name** - the individual responsible for the CACFP at this site.

**Phone** - list the telephone number for the site location.

**Fax** - list the fax number of the site location (if available).

Position/Title- the position of the person listed as the contact name.

E-mail - list the e-mail address for the site contact (if available).

## **Section B - Licensing and CACFP Operating Months Information**

Item #B-1 - Refer to Bright from the Start CACFP Policy #35 for more information on meeting licensing and approval requirements.

### **Child and Adult Care Centers**

Licensing Type - If licensed by **Bright From The Start: Georgia Department of Early Care and Learning (DECAL)**, check this box.

If the center is on a military installation and is approved to operate by the **Department of Defense**, check this box.

Approval Type: - Applicable to programs that are not licensed by Bright from the Start or the Department of Defense but have been approved by a Federal, State, or local government authority. Approval to operate means the governing authority has written standards of operation against which some measurement can be made and a mechanism exists to ensure compliance with approval standards. Approval requirements that allow for only submission of basic information such as name and address are not acceptable.

#### Head Start Programs

If the organization under which the center operates is approved by the U.S. Department of Health and Human Services to operate a Head Start program, but is not licensed by Bright from the Start, check this item.

#### **The following documents must be submitted:**

- Prism Assessment

#### Approved by any other Federal, State, or local authority

If the center does not fall into any of the categories previously listed, but has been approved to operate by a Federal, State, or local government authority, check this box.

Adult Care Centers are not licensed in the State of Georgia, therefore, to qualify for the CACFP, the center must be approved by a Federal, State, or local authority which has set written standards for the center to meet.

Indicate the name of the government authority that has approved the center to operate.

#### **The following documents must be submitted:**

- Approval documentation such as a license, approval letter, certificate to operate.
  - Note that a Certificate of Occupancy or health inspection alone does not fulfill this requirement. Simply being in compliance with one aspect of care, such as fire safety or food safety, does not meet the criteria for approval. Therefore, having a fire or food inspection alone would not meet the licensing or approval criteria for participation in the CACFP.

Alternate Licensure: (Applicable only to child care centers)

**CACFP Child Care Standards**

Child care centers, **other than Emergency/Homeless shelters, At Risk Snack, and Outside School Hours centers**, that are exempt and do not have State licensure available to them, nor have Federal or local approval from a government authority, must demonstrate compliance with CACFP Child Care Standards.

The CACFP child care standards are found in the CACFP regulations and on the CACFP Child Care Standards form, which must be used by the center to ensure compliance with these standards. The center or the sponsoring organization should review the child care standards instrument and indicate whether the center meets or does not meet the standards. If the center does not meet the standard at the time the evaluation is conducted, the organization may initiate a plan to correct and permanently maintain compliance with the standard. If the center permanently maintains compliance, it may consider itself compliant and eligible to participate in the CACFP. If the center cannot or does not intend to maintain compliance with the CACFP child care standards, it is not eligible and should not submit a CACFP application.

The center is not required to submit the CACFP Child Care Standards instrument, but instead must certify in the application that the CACFP Child Care Standards form was completed and the center is in compliance.

**The following documents must be submitted:**

- 1) A copy of the Letter of Exemption from licensure from Bright from the Start's Child Care Licensing section, formerly Regulatory Services of the Department of Human Resources (Questions concerning licensing exemptions may be answered by the Child Care Licensing Section at (404) 657-5562.);
- 2) A copy of the Certificate of Occupancy;
- 3) A copy of a current health/sanitation permit or satisfactory report of inspection conducted by the local environmental health agency within the past 12 months. (Environmental health agencies may or may not conduct an evaluation or issue a

permit for child care centers.)

### **Exempt from CACFP Child Care Standards**

Centers that operate the At Risk After School Care Programs, Outside School Hours Centers, and Emergency/Homeless Shelters **only** are not required by CACFP regulations to be licensed, approved, or meet alternate licensure requirements and should check the Exempt box.

While these types of centers are not required by CACFP regulations to be licensed, At Risk After School Care Programs and Outside School Hours Centers may either be required to be licensed or have an exemption from licensure in the State of Georgia. These types of centers must also comply with any State and local health and safety standards.

### **The following documents must be submitted for At Risk and Outside School Hours Center:**

- Exemption letter from the Child Care Services Division at Bright from the Start if the organization falls under an exemption category;
- Certificate of Occupancy

### **The following document must be submitted for an Emergency Shelter:**

- Certificate of Occupancy

### **Adult Care Programs**

Per CACFP regulations, 7 Code of Federal Regulations 226.6(e)(1)), and Bright from the Start CACFP policy 33, all eligible adult care centers must be licensed or approved by a Federal, State, or local authority. Adult Care Centers are not licensed in the State of Georgia, therefore, to qualify for the CACFP, the center must be approved by a Federal, State, or local authority which has set written standards for the center to meet. Centers that fall into this category should submit a certificate to operate, approval letter, or some other documentation indicating approval has been granted.

**DAY CARE HOMES:** Day Care Home sponsors should submit the registration/ license for homes with oversight by Bright from the Start or the Department of Defense.

Item B-1 (continued)

License Number - if a child care center licensed by Bright from the Start, indicate the license number listed on the license in the space provided. If no license number was issued, leave blank.

Enrollment Number - indicate the number of children and/or adults currently enrolled in the program.

Licensed Capacity - If licensed by Bright from the Start, indicate the licensed capacity for the 35 sq. feet capacity of the site location. Do not put the 25 sq. ft. capacity for the two hours approved. If the center is not licensed by Bright from the Start, the enrollment number will populate to this field.

Item #B-2 Operating Months - check the months the center plans to operate the CACFP Program.

(Item #B-2) Operating Months - check the months the center plans to operate the CACFP Program.

### **Section C - Organizational Type**

(Item #C-1) Profit/ Non-Profit - indicate if the center is a for profit or non-profit center. If the center is for profit, the type of eligibility used to qualify must be indicated. **CHECK ONLY ONE.**

Title XX/ XIX - A For Profit center that qualifies based on Title XX/XIX (child care subsidy recipients) and/or Pre-K category1, should indicate the number of Title XX/XIX and/or Pre-K Category 1 in the space provided.

*NOTE: Title XX refers to children and Title XIX refers to adults.*

Free/Reduced Price Meal - A For-Profit **child care** center that qualifies based on Free/Reduced Price Meal, should indicate the number of Free, Reduced, and Paid participants at the center. Child care centers must attempt to first use Title XX to qualify. This eligibility method is not applicable to adult centers.

(Item #C-2)

Claiming Infant Meals - check here if you claim reimbursement for infant meals.

Site Pricing - indicate if the program charges a separate fee for meals (meal fees are not included with the tuition fees). If the center is a pricing program and there have been significant changes to the Written Free and Reduced Policy Statement, it must be submitted. If there are no changes to the Written Free and Reduced Policy Statement, you do not have to submit the document. Check the box that applies to your center.

## Site Pricing

While participating on the CACFP, institutions can either be a pricing or non-pricing program. A pricing program charges a separate fee for meals in addition to the tuition/fees charged households. In a non-pricing program, the cost of meals is included in the tuition/fee charge.

As a pricing program, households can only be charged for the number of meals that are actually served to the enrolled participant. This means that the organization must not charge a household for any meals that the participant was not available to receive. Therefore, the pricing organization must have a system in place to count, record, and charge the household for only those meals that are actually served to the enrolled participant.

Additionally programs may not charge some participants a separate fee while not charging others in the center a separate fee. For example, many organizations that have the Georgia Pre-K program are allowed by Pre-K guidelines to charge the Pre-K students a separate charge for meals. However, if the organization participates on the CACFP, the organization cannot treat and charge differently for different groups within the organization. The organization must choose to be either a pricing or non-pricing program and apply this system across the entire organization.

## Pricing Program Requirements

Programs that indicate they are a pricing program must at the time an application is made for participation, submit a written policy statement concerning free and reduced-price meals. This policy must be applied uniformly to all child care and adult day care facilities. Information regarding this regulation may be found in 7 CFR 226.23(c)

The free and reduced-price policy statement for **pricing programs** must contain:

1. the specific criteria to be used in determining eligibility for free and reduced-price meals (these standards must conform to the current year's Income Eligibility Guidelines);
2. an assurance that there is no discrimination in the operation of the food service;
3. a description of the method(s) to be used in accepting applications from families for free and reduced-price meals. These methods must ensure that applications are accepted from households on behalf of children who are members of:
  - \* TANF assistance units;
  - \* Food FDPIR or food stamp households; or  
Adult participants, who are members of:
    - \* Food stamp or FDPIR households; or
    - \* SSI or Medicaid assistance units.
4. a description of the method(s) to be used to collect payments from those participants paying the full or reduced-price of the meal which will protect these

- participants from identification. The description must specifically state the method for recording which participants received a meal and how households will be charged;
5. an assurance that there will be no overt identification of free and reduced-price meal recipients and no discrimination against any participant on the basis of race, color, national origin, sex, age or disability;
  6. an assurance that the charge for a reduced-price lunch or supper will not exceed 40 cents, that the charge for a reduced-price breakfast will not exceed 30 cents, and that the charge for a reduced-price supplement will not exceed 15 cents; and
  7. an assurance, which provides that the institutions will establish a hearing procedure to be used when benefits, are denied or terminated as a result of verification. Such a hearing procedure must include:
    - \* a simple, publicly announced method for a family to make an oral or written request for a hearing;
    - \* an opportunity for the family to be assisted or represented by an attorney or other person in presenting its appeal;
    - \* an opportunity for the family to examine, prior to and during the hearing, the documents and records presented to support the decision under appeal;
    - \* that the hearing shall be held with reasonable promptness and convenience to the family, and that adequate notice shall be given to the family as to the time and place of the hearing;
    - \* an opportunity for the family to present oral or documentary evidence and arguments supporting its position;
    - \* an opportunity for the family to question or refute any testimony or other evidence and to confront and cross-examine any adverse witnesses;
    - \* that the hearing shall be conducted and the determination made by a hearing official who did not participate in making the initial decision (*insert the title or position of the individual who the organization will use as the hearing official*);
    - \* that the determination of the hearing official shall be based on the oral and documentary evidence presented at the hearing and made a part of that hearing record;
    - \* that the family and any designated representatives shall be notified in writing of the decision of the hearing official;
    - \* that a written record shall be prepared with respect to each hearing, which shall include the decision under appeal, any documentary evidence and a summary of any oral testimony presented at the hearing, the decision of the hearing official, including the reasons therefore, and a copy of the notification to the family of the decision of the hearing official; and
    - \* that such written record of each hearing shall be preserved for a period of three years and shall be available for examination by the family or its representatives at any reasonable time and place during such period.

Pre-K - indicate if center participates on the Bright From The Start Pre-K program.  
(Item #C-3) Program Type - indicate the category that most accurately represents the organization:

- Adult Care Center
- Child Care Center
- ASCS- At Risk After School Care Snack **ONLY**
- OSHC - Outside School Hour Care Center
- Emergency/Homeless Shelter
- Head Start

(Item #C-4) Board of Education - indicate if your center is a Board of Education (BOE).

(Item #C-5) ASCS- At Risk After School Care Snack - indicate if the center also qualifies for the ASCS- At Risk After School Care Snack program.

Item C-6 and C-7 are applicable to facilities under an Administrative Sponsor. Independents and Center Sponsors information will populate based on the information submitted for the institution type, unless the institution is marked as "public" in section A-6. If this is the case, the institution will have to select an item in C-7.

Item #C-6 Ownership Code - Indicate the ownership code that most accurately represents the legal organization of the sponsored facility:

**Non-Incorporated:**

- 1) **Sole Owner** - If the center is owned by one or more individuals, but is not a recognized as a partnership through the Secretary of State's office, select this option;
- 2) **Government** - If the center is operated by a local, State, or Federal agency, select this option;
- 3) **Partnership** - If the organization is listed as a partnership with the Secretary of State's office, select this option;
- 4) **Limited-Liability Company (LLC)** - If the organization is listed as a LLC with the Secretary of State's office, select this option.
- 5) **Out of State Corporation** - If the organization is incorporated in another state, select this option;
- 6) **Corporation** - If the organization is incorporated in the State of Georgia, select this option.

Item # C-7 Vendor Type - indicate the category that most accurately represents the legal organization of the sponsored facility:

- 1) **Private** - a private non-profit or for profit organization
- 2) **Government** - an organization operated by a local, State, or Federal agency
- 3) **Other**

## Section D - ASCS- At Risk After School Care Snack

Refer to Bright from the Start CACFP Policy # 34 for more information on this program and to determine that the center qualifies.

This section will only appear if the center is checked as an At Risk center in section C-3 or C-5 of the center application. In order to qualify for the At Risk After School Care Program, the center must be located in the school zone of a school where at least 50% of the children enrolled qualify for free and reduced meals.

The program contact should contact the Board of Education in the center's county and determine what schools are in the attendance zone of the location of the center. CNP 2000 will have a list of schools that qualify based on the current data for FY 2008. If a school is not in the drop down list, the school does not have 50% or more of free or reduced price meal participants. The percentage of free and reduced meal participants will appear once the school is selected.

The free and reduced meal data can also be found at <http://www.dec.state.ga.us> under Nutrition Services - Eligibility Data. Only those schools that have 50% or more of the children who qualify for free and reduced priced meals are listed in the document. If a school is not listed in this data, it means that the school does not have 50% or more eligible participants and cannot be used to qualify. For profit centers must also meet the Title XX requirement first in order to qualify for the at risk after school care program. In addition, the center must be providing enrichment or educational activities.

### (Item #D-1)

Public School - indicate the name of the public school the center is using to qualify for the ASCS. If the center qualified last year for this program, the name of the school used to qualify last year will automatically populate and be preprinted on the application.

Percentage Eligible for Free/Reduced - the application will list the percentage of free and reduced meal participants of the name of the school that was used last fiscal year to qualify; If the percentage shown on the application is less than 50%, then the school previously used no longer has 50% or more free and reduce priced meal percentage. The sponsor may review the data to see if any **other** school in the same school zone as the center has 50% or more of free and reduced price meal participants. If so, another school can be used to qualify for the current year. Choose this school.

If no school in the same school zone qualifies for the current year, leave the name of the school used to qualify last fiscal year. The data used to qualify can be used for

three years. Bright From The Start will review this information and verify that the school qualified last fiscal year and will note the date the eligibility will expire.

Dates of School Session - indicate the months that the school used to qualify is in session. If children do not attend school any days during a month, it should not be checked. At Risk Snacks cannot be claimed during the summer months unless the school is a year round school.

Hours of Operation - indicate the beginning and ending time for the ASCS program.

(Item #D-2) Educational/Enrichment - indicate if the activities that the ASCS offers are Educational or Enrichment program. You may check both.

(Item #D-3) Location of ASCS - indicate if the ASCS program is located in a Public School Building.

ASCS Staff - list all the staff members that supervise the ASCS and the hours that they work.

ASCS Agenda - describe the activities and schedules of the ASCS program.

## **Section E - Hours of Operation and Meals Served**

(Item #E-1) Hours of Operation - indicate the hours that the center will open and close.

(Item #E-2) Meals Served - For each meal the center will claim, indicate the time of day that meal service will begin and end. Check the days of the week the meal is served. Keep in mind that to be in compliance with Bright From The Start licensing regulations, meals have to be at least two hours apart. **\*\*Remember that you may only claim 2 meals and a snack or 1 meal and 2 snacks per child per day. While you may serve every meal available, you may not claim every meal for every participant (Emergency/Homeless Shelters may serve 3 meals).**

(Item #E-3) Type of Food Service - indicate the method for providing meals from the following options:

**On Site Preparation** - meals are prepared at the site location.

**Central Kitchen**- meals are prepared at a site that is owned and operated by the institution and transported to one or more sites. Check central kitchen in the site application for those centers where meals are delivered. If the location that prepares the meal is also a site on the program, indicate "on-site" prep for that location.

**School Food Authority (SFA)** - check this option for facilities that vend with a public or private school system.

**Food Service Management Company (FSMC)** -check this option if the facility contracts out with a vendor for preparation and delivery of meals.

Vendor/School Name - if center selects either SFA or FSMC, list the name of the school or the vendor with whom an agreement or contract is established.

### **Agreement/Contract to Furnish Food**

**\*If your meals are vended, you must ensure that your organization has conducted a proper procurement process.** Refer to the Procurement Manual found at <http://www.decal.state.ga.us>. (Go to Nutrition Services - CACFP Participant Information - Handbooks/Instructions- Procurement Manual).

The Procurement Checklist for Food Service Supplier must be completed and submitted. If a new procurement process is conducted, submit the new contract to Bright From The Start. Contracts are limited to a **one-year duration, with up to four one-year renewals**. Therefore if the contract for the upcoming year is the same as during the procurement process, the contract can be renewed. The renewed contract should be submitted.

If in the upcoming year, the contract will substantially change, a new procurement process must be conducted. Additionally, if an organization will be exceeding the small purchase threshold in the upcoming year, and did not perform a formal procurement in the previous year, a formal procurement must be conducted.

The new or renewed contract or Agreement must be submitted with the application. Contact Bright from the Start staff for additional information on this matter.

## **Section F - Certifications**

Certain programs are not eligible to participate under the CACFP. Check the applicable section based on your program type selected in item C-3.

### **Adult Centers**

If an adult center, each certification under the adult section must be true and checked in order to qualify for the CACFP. Refer to Bright from the Start CACFP Policy 33 and the Adult Care Handbook for more information.

### **Child Care Centers**

If a child care center, each certification under the child care section must be true and checked in order to qualify for the program.

### **Emergency/Homeless Shelters**

If an Emergency/Homeless shelter, the first two certifications must be true.

If an organization is licensed as Residential Child Care Institution through the Residential Child Care Section at the Office of Regulatory Services, the program may participate on the CACFP only if the RCCI has a separate and distinct program that

serves children who are homeless and not enrolled in the RCCI for long-term care. Check the certification to verify the center is meeting this requirement.

If not licensed as a RCCI, check the second certification.

## **Section G - Racial/Ethnic Data -**

**(Item #G-1)**

**School Zone** - indicate the public school in the same school zone that the site is located. The percentage of the eligible population will be populated by the computer system. In the bottom row, record the EXACT number of children/adults by racial/ethnic category that is currently enrolled in your program. The number of participants that is listed in section B-1 for enrollment must equal the number indicated in this section. **You do not have to calculate the percentages; record only the number of participants enrolled in the space provided.**

## **Section J - Center/Site Required Application Forms and Documents**

This section informs the institution of all forms and documents that must be submitted to support the approval of the application. Forms can be downloaded from the form download menu in CNP 2000. Documents not provided by Bright From The Start can be copied and mailed or completed electronically and uploaded to CNP 2000.

If the document listed is being mailed to Bright From The Start, check this box on CNP 2000 and enter the date that the form/document was submitted. Please address documents to:

**Bright from the Start  
Attn: CACFP Renewal Application  
10 Park Place, Suite 200  
Atlanta, GA 30303**

## **Day Care Home Provider Information**

Day Care Home sponsors will complete one provider application for each provider participating in the program. CNP 2000 participants should enter the correct information for each provider being renewed and any new providers for the fiscal year.

## **Section N - Provider Information**

**(Item #N-1)**

**Provider Name and Social Security Number**- the first, middle, last name and accurate social security number of the provider.

**Home Street Address** - the physical address for the **home** to include the county in which the home is located.

**Phone** - list the telephone number for the provider.

**E-mail** - list the e-mail address for the provider (if available).

**Registration Type** - indicate License or Registration.

**Registration No.** - the correct 9-digit number preceded by a **capital FR**.

**Effective Date**- the effective or issuing date of the registration.

**Expiration Date**- the date the registration certificate expires.

## **Racial/Ethnic Data**

**(Item #N-2)**

**School Zone** -list the name of a public school in the same school zone that the home is located.

In the bottom row, record the EXACT number of children by racial/ethnic category that is currently enrolled in your program. **You do not have to calculate the percentages; record only the number of participants enrolled in the space provided.**

## **Tiering Information and Provider's Eligibility**

**(Item # N-3) Tier Level**- Select the provider's qualifying tier and indicate if the provider is a Food Stamp Recipient. If the provider is currently receiving Food Stamps, indicate the Food Stamp number in the space provided

**(Item # N-4) Provider's Eligibility**- Indicate whether the provider will claim own children.

## **Months Served and Menu Times**

**(Item #N-5) Months Served**- Select the months the Provider will participate in CACFP.

**(Item #N-6) Meal Times**- Indicate the types, times and days **approved** meals will be served.

**(Item #N-7) Provider Status**

**CACFP Start Month**- Enter the effective start dates of the program.

**Termination Date**- When terminating a provider, enter the date the Provider is terminated.

Termination Reason- Select the reason for termination from the drop down box.

Status- Accurate information will automatically populate based on previous entries.

Terminated by- Select only if the Provider voluntarily terminates from the CACFP.

## **Instructions – Budget Package**

Administrative and Day Care Home Sponsors should also refer to the Budget Guidance Manual for instructions on completing the budget.

Items not used for the food service should not be listed in the budget as CACFP reimbursement can only be used to pay for items used in the food service operation. Therefore, when the budget asks you to indicate the space costs you incur to operate the food program, you would only include the percentage of the costs that equates to the percentage of the food program area versus the total square footage of the entire building. You should not include all your space costs, as the food program is not operated in all areas of your building. You would have to prorate this costs based on a logical allocation methodology. Allocation methodologies will be discussed in more detail below.

The food service program must be operated as a nonprofit food service, which means the organization should not be making any profit from the food program operations. Because CACFP reimbursement is an enhancement to your current operations, the organization is expected to increase the quality of their current operations.

This budget package contains items in the order below. However, the budget should be completed in the order listed in the "How to Complete the Budget" section.

- 1) Budget Package Summary
- 2) Operating Budget
- 3) Administrative Budget Summary
- 4) Administrative Budget Worksheets (all the sheets behind the Administrative Budget Summary)

All organizations must complete the entire budget, including the administrative budget summary, except the administrative budget worksheets do not need to be completed if CACFP reimbursement will not be used to pay for administrative costs. See instructions under administrative budget section for those organizations that will not pay administrative costs with CACFP funds.

Some worksheets provide instructions as to the completion of the document, so read each worksheet carefully. In addition, the institution should become familiar with FNS Instruction 796-2 Rev. 3 in order to understand allowable and unallowable costs.

## How to Complete the Budget Package

1) First determine the amount of CACFP reimbursement received last year to estimate the amount that will be received in the new fiscal

The projected reimbursement worksheets were omitted from the renewal budget. However, if the organization has changed significantly and needs these worksheets to estimate reimbursement, contact Nutrition Services staff.

2) Complete the Operating Budget next. Follow the instructions on the top of the operating budget and the guidance in this booklet to complete this budget. Attach any supporting documentation requested in the instructions such as allocation methodologies.

3) Complete the Administrative Budget **worksheets next only if you intend to charge administrative costs to the CACFP, or if claiming space costs, worksheet 11 must be completed.** Otherwise skip this step and go to step 4. When completing the administrative worksheets, attach all supporting documentation requested for each worksheet including any allocation methodologies.

4) Complete the Administrative Budget Summary. If using CACFP reimbursement to charge administrative costs, transfer the totals from each worksheet to the line item on the Administrative Budget Summary. If CACFP reimbursement will not be used to pay administrative costs, the organization must still estimate the administrative costs that are incurred to operate the food program. These estimates must be listed in column A of that summary page.

5) Transfer totals from each budget to the Budget Package Summary page. The Budget Summary Page is completed last, although it's placed in the front. It summarizes your entire costs.

### **HINTS:**

- Use your Monthly Record of Operating Cost forms and Monthly Record of Administrative Costs forms to determine costs
- Read the full version of Budget Completion below
- Don't make it harder than it is - It's shows how you will pay for costs

## Projected Reimbursement Worksheets

**Participants who are renewing can use last year's reimbursement amount as a basis for the new fiscal year budget as long as the institution has approximately the**

same number of centers and the same operating days and meals served. These worksheets were not included in the renewal budget. If there are significant changes in the number of days the center is open or the types of meals served, contact a Nutrition Services staff to obtain the projected reimbursement worksheets.

The purpose of the Projected Reimbursement Worksheets is to determine what the estimated reimbursement from CACFP will be for the fiscal year. Based on this estimate, determine how the reimbursement will be spent and determine how much funding from other sources is needed to operate the food service program.

If using these worksheets, follow the instructions on each of these pages to determine what the estimated reimbursement will be and transfer the projected reimbursement (the number from box 10 of the page 2) to the Budget Package Summary page in row 4, column B.

#### Projected Reimbursement Worksheet 1

Bright From The Start reimburses based on a method called "claiming percentages." This worksheet allows the institution to enter the total number of participants eligible for free, reduced, and paid meals then divide by the total enrollment to obtain the "claiming percentage" for income category (for more information on claiming percentages, refer to the child or adult care handbook). To complete this worksheet, you must have all the participant's income eligibility statements completed and accurately classified.

In order to yield an accurate projection, sites under Center sponsors and Administrative sponsors must be operating the same number of days and claiming the same meal types if the enrollment for all sites is added together. If operating days meal types vary, only those centers with like information can be combined together to obtain an accurate projection. For a more accurate projection, centers with different operating days and meal types can be completed separately.

Under #2 of this worksheet, the institution should divide the number of participants in each income category by the total number of enrolled participants to determine the "claiming percentage" for each income group, free, reduced, or paid. The decimal amount received as a result of this division is then transferred to worksheet two in column 5.

#### Projected Reimbursement Worksheet 2

This worksheet allows the institution to take the "claiming percentages" for each income group and multiply them by the total number of meals served in a Month and the rates

paid for each meal type to yield the projected reimbursement for a given Month. After finding the projected reimbursement for a Month, this number can be multiplied by the number of months that the organization will be participating on the CACFP. If the organization is entering the CACFP at any time other than the beginning of the fiscal year (October), only the number of months the organization will operate for the fiscal year should be entered in Box 9. The result in Box 10 is the total projected reimbursement for the year. The sponsor can then take this number and multiply it by 15% to determine the amount of reimbursement that can be applied toward administrative costs.

### Operating Budget

Operating costs are costs incurred in the preparation, serving, and clean up of a meal service. Typical operating costs can include food, non-food supplies or equipment, labor & benefits, utilities, and rental space. FNS Instruction 796-2 Rev. 3 should be referenced to determine what is considered an allowable cost and what can be included in the budget.

The operating budget has three separate columns:

- 1) The first column allows the organization to look at all the food program costs incurred in a typical month. These costs should include all costs that are paid with CACFP reimbursement and costs that are paid with other funds as well;
- 2) The second column (column A) is used to identify **all** the operating costs incurred in carrying out the food program for all the months that the organization will operate the CACFP for the current fiscal, i.e. for most renewing organizations, 12 months. The monthly figures in the first column are multiplied by 12 (or however many months the organization will operate the CACFP) to obtain the figures in this column. These costs should include all costs that are paid with CACFP reimbursement and costs that are paid with other funds as well;
- 3) In column B only those costs that will be paid with CACFP reimbursement should be listed. The amount charged to the CACFP cannot exceed the projected reimbursement, since no more funding will be available through CACFP.
- 4) Place the amount of operating costs in the appropriate row on the operating budget.
  - a. If charging space costs to the CACFP, you must complete worksheet 11 and attach it to the operating budget. A separate worksheet must be completed for operating and administrative space.
- 5) Allowable operating costs other than food, non-food supplies or equipment, labor & benefits should be placed in the "other" column and an explanation of these costs described in the section provided.
- 6) Transfer the totals for both column A and column B to the Budget Summary page on row 1 under the appropriate column (A or B).

- 7) Submit allocation methodologies for prorated costs.
- 8) Submit the rental or lease agreement if charging space costs under a lease agreement. Refer to the information in this instruction regarding charging space costs in less than arms lengths transactions to ensure compliance with regulations.

Administrative and Day Care Home Sponsors will be the only types of institutions that may not have an operating budget. If this applies to your organization, place a zero in the Operating Budget section of the Budget Package Summary and do not complete the operating budget package.

### Administrative Budget

Administrative costs are incurred in planning, organizing and managing the food service operation under the CACFP. Administrative cost categories include but are not limited to the cost of clerical and office labor, supplies, monitoring labor, training and education, mileage and program operations. The Agricultural Risk Protection Act of 2000 (Pub. L. 106-224) limited the amount of reimbursement center sponsors can allocate to administrative costs. Bright From The Start also set a policy to limit Independent centers' use of funds toward administrative costs. CACFP participants operating as Independents, Center Sponsors, or Administrative Sponsors may allocate no more than fifteen percent (15%) of their total CACFP reimbursement for a fiscal year to administrative costs.

To determine your 15% limit, you may refer to last year's reimbursement amount and take 15% of this amount or use the projected reimbursement worksheets. If you are adding centers during the renewal process and would like to allow for administrative costs for new centers, you must project the reimbursement for these centers and figure this into the total reimbursement for the fiscal year, then multiply this amount by 15%.

You must keep in mind that the projected reimbursement worksheet will provide you with the maximum reimbursement that the center may receive and it does not take into account fluctuations in attendance. The actual reimbursement the center receives will be different from the projected reimbursement since the center may only claim for actual meals served to enrolled participants. Participating organizations may choose to use the Average Daily Attendance of the center to obtain a more accurate estimate. Since the actual reimbursement received will be different, the organization can use the projected reimbursement and the projected administrative budget as an estimate only. It is the organization's responsibility to ensure at the end of the year, administrative costs do not exceed the 15% of the actual reimbursement received. In order to do this, the center should attempt to remain within the 15% limit on a monthly basis.

### Administrative Budget Summary

The Administrative Budget Summary contains 25 costs categories. 23 of these categories have a corresponding worksheet (all the pages after the summary) that must be completed to support the cost. Each worksheet is numbered and named according to the cost category listed on the Summary page. Item 29, Indirect costs, and item 30, Sponsored Center's Administrative Costs, are the only cost categories that do not have a corresponding worksheet. Refer to the section below for more information on Item 29 and 30. Complete any applicable administrative cost worksheets first, then transfer the totals to the Administrative Budget Summary Page.

The administrative budget has three columns: 1) Column A: Total Administrative Costs for the operation of the food program; 2) Column B: Administrative Costs Charged to the CACFP; and 3) Column C: the State Agency Approved Amount. The Grand Total for each column should be transferred to the appropriate column on the Budget Summary page (row 2).

Every institution is required to estimate their administrative costs that are incurred in the operation of the food program and indicate this on the Administrative Budget Summary. If the institution does not plan to charge any administrative costs to the CACFP, then a zero can be put in column B, "Administrative Costs to be Charged to the CACFP." However, if any administrative costs are to be paid with CACFP reimbursement, the institution must complete each corresponding budget worksheet for any item in which a cost will be paid with CACFP reimbursement.

### Administrative Budget Worksheets

All the worksheets after the Administrative Budget Summary are the supporting worksheets for the Administrative Budget, except for worksheet 11, which can be used to support administrative or operating labor. Worksheet 11 must be completed separately for administrative and operating costs.

The organization must complete each worksheet for any cost that will be charged to the CACFP. If the cost will not be charged to the CACFP, regardless if the organization incurs costs for this item, the worksheet will not need to be completed.

Keep in mind when completing the worksheets, while you may have legitimate costs, if your projected CACFP reimbursement will not cover the cost, you should adjust the amount that will be charged to the CACFP in Column B of the Administrative Budget Summary so that the total costs charged to the CACFP will not exceed the projected reimbursement.

Supporting worksheets for the administrative budget may request supporting documentation that must be submitted with the budget. **Anytime a cost is prorated**

between and paid out of two funding sources, an allocation methodology must be submitted. Please ensure that all requested documents are submitted with the budget.

Item 29 - Indirect costs must be supported by a cost allocation plan that assigns an indirect cost rate. If you have an approved cost allocation plan, submit a copy of the document that shows the indirect cost rate assigned and submit an explanation of the base used to determine the indirect costs. The base is indicated at the bottom of the Indirect Cost Rate Agreement. For example, if the base is all salaries and fringe benefits, the explanation should specifically list the total amount of salaries and fringe benefits that will be directly charged to the CACFP. This amount should then be multiplied by the indirect cost rate to determine the indirect costs that can be charged to the CACFP. Therefore the organization should provide the mathematical calculation showing how the indirect costs that are being charged to CACFP were derived.

Item 30 - All sponsoring organizations must include in their administrative budget, any administrative costs that are paid by their sponsored centers with CACFP reimbursement. Administrative Sponsors should list the administrative costs incurred only by the administrative sponsor in Items 1-29. The administrative costs incurred by the sponsored centers should be indicated in Item 30. However, center sponsors (sponsors who are legally affiliated with their sponsored centers) should incorporate the administrative costs for the sponsor and each sponsored center throughout Items 1-29.

The At Risk Agricultural Protection Act limits the amount of CACFP reimbursement that can be used to support administrative functions, regardless of whether the sponsor or its centers incur the administrative cost. The administrative budget cannot exceed 15% of the reimbursement and must take into account all the administrative costs paid with CACFP funds.

#### Budget Package Summary

Complete the Budget Package Summary last, after completing the operating and the administrative budgets. It summarizes the other budgets.

Indicate the number of centers/homes that participated on the CACFP during the previous fiscal year. The total number of sites that were approved can be listed, regardless of whether the site participated for the entire year. Then indicate the number of centers/homes that the institution is submitting for approval for the current fiscal year.

The Budget Package Summary has three columns: 1) Total Food Program Costs; and 2) Total Costs to Charged to CACFP; and 3) State Agency Approved Amount. When completing the operating and administrative budget, you are asked to put down both the total cost incurred to operate the food program and the costs that will be charged to the CACFP. The combination of those operating and administrative costs will be transferred to the budget summary.

Row 1: Estimated Operating Budget - Complete the operating budget, then transfer the total operating costs incurred in the operation of the food program (total from first column). Transfer to the second column only those costs that will be charged to the CACFP.

Row 2: Estimated Administrative Budget - Complete the administrative budget, then transfer the total administrative costs to this row (total from first column). Transfer to the second column only those costs that will be charged to the CACFP.

Row 3: Projected Annual Budget - Add the totals of the operating and administrative budgets (Rows 1 and 2) together to obtain the projected annual food program budget.

Row 4: Estimated Reimbursement from CACFP -A renewing institution should in most instances use last year's reimbursement amount and enter in this row, if the institution has the same number of sites/homes as the previous year. If the institution has deleted or added sites, and would like to account for these sites, the institution can use the projected reimbursement worksheets to obtain a more accurate estimate. Contact Nutrition Services to obtain a copy of these worksheets.

Row 5: Subtract the amount in row 3 from row 4 for the second column; if the result is greater than zero, the institution has more CACFP reimbursement than costs. If this is the case, answer the question below the table. Since CACFP is an enhancement to your food program operations, it should be a rare situation that the organization has more reimbursement than costs. Determine if the organization has applied all of its reimbursement toward allowable costs.

### **Prorating**

The cost of any item that is not used exclusively for CACFP purposes must be prorated and only the portion of the cost used by CACFP can be charged to the program. Bases used to prorate items will differ depending on the item being prorated. When submitting a budget, you will be asked to submit an allocation methodology. An allocation methodology refers to how you prorate or allocate costs that are not solely used for the CACFP.

## Allocation Methodology

Listed below are some typical allocation methodologies and guidance concerning how to charge costs.

### Mileage

- $CACFP \text{ miles} / \text{Total miles} = \text{Percentage of total charge for CACFP}$

### Copy and fax

- Per page charge (In order to allocate copiers or faxes, a log must be maintained so that only those amounts used by CACFP can be properly charged.)

### Salaried Employee and fringe benefits

- $CACFP \text{ hours} / \text{Total hours worked for organization} = \text{Percentage of total charge for CACFP}$

### Utilities

- $\text{Square footage of the CACFP space} / \text{Total square footage of building} = \text{Percentage of total charge for CACFP}$ ; and if not used all day for CACFP the following
- $\text{Actual number of hours of CACFP use} / \text{Total number of hours space is used}$

### Rent\*

- $\text{Square footage of area to be charged} / \text{Total square footage of building} = \text{Percentage of total charge for CACFP}$ ; and if not used all day for CACFP the following
- $\text{Actual number of hours of CACFP use} / \text{Total number of hours space is used}$

**\*Please note that if an organization, or a related party, holds a mortgage for the building, the rental allocation methodology cannot be used. Refer to the information further in the document concerning space costs when the organization either owns the building or a related party owns the building.**

## CHARGING SPACE COSTS

### Space costs when the institution on the CACFP owns or holds a mortgage for the building

Example: Little Ones, Inc. participates on the CACFP. Little Ones, Inc. holds a mortgage for the child care center.

When an institution owns the building, or holds a mortgage, then only depreciation for the use of the building can be charged to the CACFP. When charging depreciation, the same method must be used that is used in the institution's tax records. Depreciation is calculated by taking the acquisition cost of the building, deducting the value of the land, and dividing this amount by the life expectancy of the building, typically 30 years.

The expense for this type of situation can only be charged as a depreciation expense. Depreciation cannot be used to remove cash from its program accounts, or to reduce the nonprofit food service account balance. Information on depreciation can be found page 29 of FNS Instruction 796-2 Rev. 3 which can be found under the Handbooks/Instructions drop down menu at the following website address <http://www.decal.state.ga.us> under the Nutrition Services Section - CACFP Participant Information - Handbooks/Instructions.

#### **Depreciation methodology for a building:**

Total acquisition cost minus the value of the land divided by the life expectancy of the building (straight line depreciation)

#### **Example:**

\$464,000 total acquisition cost

\$10,000 value of land

30-life expectancy of building

\$464,000 total cost - \$10,000 value of land = \$454,000 total acquisition cost of building

\$454,000 / 30 life expectancy = \$15,133.33 yearly depreciation amount

#### **Multiply the yearly depreciation amount by the percentage of CACFP space:**

273 sq. ft. of kitchen space / 6,000 total sq. ft. of building = .045 or rounded up to 5% CACFP space

\$15,133.33 yearly depreciation amount x .05 CACFP space percentage =

\$688.57 CACFP yearly depreciation amount

### Space costs when the organization has a less than arms length agreement

Example: Promise Preschool, Inc. is on the CACFP and pays rent to Jolly Holding, LLC. The President of Promise Preschool, Inc. is the Vice President of Jolly Holding, LLC. Because one person has common interest in both organizations, this lease agreement is considered less than arms length.

In any "less than arms length" transaction, lease agreements are limited to the amount that results from applying a 30 year life expectancy to the property's acquisition cost less the value of land and require specific prior written approval from the State Agency or FNS Regional Office.

A less than arms length transaction is defined in Exhibit A of the FNS Instruction 796-2 Revision 3 as one under which one party to the transaction is able to control or substantially influence the actions of the other(s) which includes, but is not limited to the following:

- Divisions of an organization;
- Organizations under common control through common officers, directors, or members;
- An organization and a director, trustee, officer, key employee of the institution or immediate family, either directly or through corporations, trusts or similar arrangements in which a controlling interest is held.

Costs under less than arms length transaction may be charged as a **direct expense** after receiving specific prior written approval from the State Agency or FNS Regional Office, but cannot exceed the amount that would have been allowed had the item been owned by the institution. (In other words the same methodology must be used as used in the example above, the depreciation methodology.) A direct expense does remove cash from the program account. Information on lease than arms length transactions can be found page 73 of FNS Instruction 796-2 Rev. 3 which can be found under the CACFP Participant Information - Handbooks/Instructions drop down menu at the following website address <http://www.dec.state.ga.us>.

### **Allocation Methodology for a less than arms length lease/rental agreement:**

Total acquisition cost minus the value of the land divided by the life expectancy of the building

#### **Example:**

\$163,000 total acquisition cost

\$10,000 value of land

30-life expectancy of building

\$163,000 total cost - \$10,000 value of land = \$153,000 total acquisition cost of building

\$153,000 / 30 life expectancy = \$5,100 yearly amount

**Multiply the yearly amount by the percentage of CACFP space:**

600 sq. ft. of kitchen space / 6,000 total sq. ft. of building = .10 or 10%

\$5,100 yearly amount x .10 CACFP space percentage = \$510 CACFP yearly lease cost that could be claimed

Proration Example:

The following is an example of how to prorate rental charges for the office used to complete paperwork.

The total square footage of the office would be divided by the total square footage of the entire building. This percentage would be multiplied by the rent. This calculation would yield the percentage of rent for the office as a whole for the entire day. Since the office is not used the entire day for CACFP purposes, the amount of rent would have to be further prorated based on the amount of time the office is used for CACFP purposes. This calculation is done by dividing the amount of time the office is used for CACFP purposes by the total amount of time the center is open for business. This percentage is then divided by the amount formerly prorated by the square footage.

Example: Rent is \$1,000. Square footage of the office is 800 square feet. The entire building is 10,000 square feet. The center is open 10 hours a day and the office is used 3 hours out of the day for CACFP purposes.

Allocation Methodology

800 / 10,000 sq feet = .08 or 8% percentage of square footage for office

\$1,000 (in total rental costs) x .08 = \$80 total rental cost for office space

3 / 10 hours per day = .3 or 30 % percentage of time office used for CACFP

\$80 x .3 = \$24

In this scenario, \$24 could be charged to the CACFP for rent for use of the office for completion of paperwork.

When asked to submit an allocation methodology, this example provides the format in which the allocation methodology should be submitted. It should be self-descriptive and fully explain how the cost will be prorated. The allocation methodology should be submitted on a separate sheet of paper and must be kept on file to support your costs. You will be asked to submit this methodology in the future so you should keep it where you know you will be able to find it and so that the nutrition consultant may be able to review.

### Amending Budgets

Administrative and DCH Sponsors should refer to the Budget Guidance Manual for instructions on submitting amended budgets. Independents and Center Sponsors may use the guidance below.

A budget does not become an amended budget until a budget has been officially approved by Bright From The Start. Throughout the year there may be a need for new costs. If this is the case and the costs that you are using your reimbursement for are substantially different from the approved budget, you should submit an amended budget to Bright From The Start. In addition, certain items require prior approval and specific prior written approval from Bright From The Start or the FNS Regional Office. If these items were not approved on the original budget, an amended budget needs to be submitted to Bright From The Start. The items that require prior approval are listed on the succeeding pages.

### Forms to Document Costs

Please note that you must maintain the Monthly Record of Program Operating Cost and Monthly Record of Administrative Cost forms at your administrative offices. These two forms should document every cost paid with the CACFP reimbursement. You should also maintain other documents, receipts, etc. that support any costs used for the food program operation, not only those costs paid with CACFP funds.

## Prior Approval Budget Items

FNS Instruction 796-2 Rev. 3 requires the institution to obtain Prior Approval, Specific Prior Approval, and FNS Regional Office Approval for the items below. Certain items are left up to the state agency's discretion. The discretionary items Bright From The Start has determined need to have prior approval have an asterisk beside them.

Topic	Section	Pg #	Specific Item	Prior Approval	Specific Prior Written Approval	FNSRO Approval
Advertising & Public Relations Costs	3 a (2)	20	Public relation costs for pamphlets, news releases & other information services	YES		
Communications	8 a (1)	23	Cellular phones & pagers owned or leased by the institution -- SAs may impose prior approval or specific prior written approval	YES*		
Contributions & Donation Costs	10 a	24	Costs required to make goods or services donated to the institution usable for the Program		YES	
Day Care Home Licensing Standards Costs	12 a (1, 2 & 3)	27	Supplies such as smoke detectors & fire extinguishers; minor alterations such as adding handrails; and the costs of fire & safety inspections & licensing fees are required to permit an income eligible day care home to meet licensing approval standards		YES	
Depreciation and Use Allowance	13 a (1)(b)	29	All space and facility depreciation methods other than 30 year straight line or method used & accepted for Federal income tax reporting purposes		YES	
	13 a (1)(c)	29	For publicly owned buildings, the amount assigned as the acquisition cost		YES	
	13 a (2)(a)	30	All equipment depreciation methods other than 15 year straight line depreciation or method used & accepted for Federal income tax reporting purposes		YES	
	13 d (1)	31	Unknown acquisition cost		YES	
	13 e	31	Life expectancies			
Employee Morale, Health, & Welfare Costs & Credits	14	31	All costs in this category		YES	
Expensing Equipment and Other Property	16 a	33	The program's share of the cost for most equipment & improvements can be directly expensed (NOTE: See 16 b for unallowable costs.)		YES	
Facilities & Space Costs	17 a (3)	35	The costs for rearrangement & alterations to facilities owned by the institution that are necessary for efficient and effective program operations but do not result in capital improvements (NOTE: See unallowable costs.)		YES	
	17 d (1)	36	All special lease arrangements (see 36 d, below)		YES	
	17 d (2)	36	Costs incurred by the institution during periods of non occupancy		YES	
	17 d (3)	36	A single base such as square footage to prorate maintenance and operation costs between program and nonprogram activities when these costs are not included in rent or other space charges		YES	
Insurance	21 a (1)(a)	37	Costs of other insurance, not required by the SA, maintained by the institution in connection with the general activities of the Program when the type, extent, & cost of coverage in accordance with general state or local government policy and sound business practices		YES	

Topic	Section	Pg #	Specific Item	Prior Approval	Specific Prior Written Approval	FNSRO Approval
	21 a (1)(b)	37	Costs of insurance or contributions to any self insurance reserve covering the risk, loss, or damage to Federal Government property to the extent that the institution is liable for such loss or damage		YES	
Insurance	21 a (1)(c)	37	Contributions to a reserve for self insurance to the extent that the reserve meets state insurance requirements and the type of coverage, extent of coverage, & the rates & premiums would have been allowed had insurance been purchased to cover the risks		YES	
Interest, Fund Raising, & Other Financial Costs	22 a (1)(a) i	38	Stop payment charges for facility advance & reimbursement payments and other Program disbursements, whether by check or EFT		YES	
	22 a (1)(a) ii	38	Program account reconciliation and analysis fees, including the allocated share of fees charged for commingled accounts		YES	
	22 a (2)	38	Interest incurred after 10/1/98, for non-profit private institutions and after 10/1/80, for public institutions on institutional debt used to acquire or replace allowable equipment or other property or make allowable improvements (NOTE: See unallowable costs.)		YES	
	22 c (1)	40	Arms length transactions (NOTE: See section on information required when requesting specific prior written approval.)		YES	
	22 c (2)	41	Less-than-arms-length transactions (NOTE: See section on information required when requesting specific prior written approval.)		YES	YES
Labor Costs	23 d (1)	48	Compensation to members of nonprofit institutions, trustees, directors, associates, officers, or the immediate families thereof require special consideration and specific prior written approval		YES	
	23 d (2)	48	Stipends to compensate board members for the costs of attending corporate meetings when program business is conducted requires special consideration and specific prior written approval		YES	
	23 d (3)	48	Any change to an institution's compensation policy that results in a substantial increase in the institution's level of compensation to an individual or all employees requires special consideration and specific prior written approval		YES	
Overtime, Holiday Pay, and Compensatory Leave	23 h	51	Payment of overtime, holiday pay for work performed on a nonwork holiday & compensatory leave (NOTE: See section regarding exceptions.)		YES	
	23 i	52	Incentive payments and awards (except for awards of minimal value, see i (6))		YES	
	23 j	54	Severance pay when it does not constitute excess compensation and is required by law, written employer/employee agreement, written policies of the institution, or the terms of a negotiated written labor relations agreement		YES	
	23 k (1)	54	Deferred compensation when SA determines the deferral is in best interest of the Program and it does not represent the establishment of a contingency fund, an attempt to defer compensation as a result of an overclaim, repayment request, or funding limitation or an attempt to acquire Program funds for unallowable cost purposes		YES	
	23 k (11)	58	Amendments or modifications to approved deferral plans		YES	
Legal Expenses & Other Professional Services	24 a (1)	58	The sponsoring organization's cost to pursue administrative and judicial recovery of funds due from sponsored facilities		YES	

Topic	Section	Pg #	Specific Item	Prior Approval	Specific Prior Written Approval	FNSRO Approval
Legal Expenses & Other Professional Services	24 a (2)	58	The institution's costs for services performed by individuals who are not officers, employees or members of the institution (NOTE: See section for additional information.)		YES	
Management Studies	26 (a)	61	The cost of studies directly related to the Program that are performed by entities other than the institution itself		YES	
Materials & Supplies	27	62	SAs may establish specific prior written approval requirements for durable supply acquisitions		NO	
Meetings & Conferences	28 a (1)	63	Travel & registration fees for attending meetings & conferences devoted solely to the CACFP	YES*		
	28 a (2)	63	Prorated share of travel & registration fees when CACFP is only a portion of a larger Child & Adult Care related agenda		YES	
Membership, Subscriptions, & Professional Organization Activities	29 a (4)	64	Costs of public and not for profit institutions memberships in civic or community organizations			YES
Participant Training & Other Participant Support Costs	30 a (1)	65	Training-administrative costs (NOTE: See section for a list of these costs.)	YES		
	30 a (2)	65	Training-operating costs (NOTE: See section for a list of these costs.)	YES		
	30 a (3)	66	Facility appeals costs (NOTE: See section for more information.)	YES		
Proposal Costs	32 (a)	66	Costs of preparing proposals on potential FNS Child Nutrition Program grants		YES	
Publication, Printing, & Reproduction	33	67	All allowable costs require prior approval	YES		
Purchased Services -- Other	34 a (1)(a)	67	Arms-length transactions for the maintenance, repair or upkeep of administrative & food service equipment that neither adds to its value nor prolongs its intended life	YES		
	34 a (1)(b)	68	Costs of utilities, purchased security and janitorial service, etc., not included in space or labor compensation costs	YES		
	34 a (2)	68	All less-than-arms-length transactions; maintenance & service repair contracts on Program equipment; and all other purchased service costs needed for Program operation		YES	
Rental Costs	36 d	72	Special lease arrangements -- capital leases, sale-with-lease-back leases, less-than-arms-length transactions, & lease with option-to-purchase (NOTE: See section for more information. These also require special consideration.)		YES	
Termination Costs	38 a	75	Institution's necessary & reasonable costs of ceasing CACFP operations		YES	
Travel	39	76	Costs for Program travel (NOTE: See section for more information.)	YES		

## Center Roster of Food Program Participants

 There are two separate rosters and Income Eligibility Statements for child care and adult care centers. Make sure you are using the correct forms. **Day Care Homes do not complete the roster.**

A current roster must be kept on file by the program for each center. Each center must complete a new roster for the new fiscal year (October 1). The roster should be **initially** completed in **alphabetical order** and updated throughout the year. **Ensure that you are using the correct Roster. The rosters are different for childcare centers and adult care centers.**

Name- The name of each child/adult should be entered in the space under the heading, **Name of Child/Adult**. Add names of children/adults to the center roster as they are enrolled.

Age - The age of the child/adult should appear under the heading, **Age**.

Title XX / Pre-K Category 1 - For the child roster, if the child is a Title XX recipient, enter a check in the space provided under the column heading, **Title XX**. If the child is a Pre-K Category 1 child, enter a check in the space provided.

Title XIX - For the adult roster, if the adult is a Title XIX, enter a check in the space provided under the column heading **Title XIX**.

Date Entered - This date can be either the date the child/adult first entered the program or the first of the month in which the application is being submitted for the new fiscal year.

Date Exited - Since this roster is your initial roster for the new fiscal year, no children should be exited. If the participant was present during the month that the roster is being submitted, but left sometime during the month, leave this column blank on the roster being submitted. You may enter the exit date on the copy that will be maintained at the center.

Category of Eligibility - Categorize each child/adult in either the **F** (free), **R** (reduced price) or **P** (paid) column based on the information indicated on the Income Eligibility

Statements. These categories should correspond to the category of eligibility documented at the bottom of the Income Eligibility Statements.

In order to facilitate review of your records by the Nutrition Program Consultant, Income Eligibility Statements should be filed in the same order that the names appear on the center Roster.

**Only one Roster of Food Program Participants is necessary for each fiscal year (October - September). Continue to add names to the end of the roster as children/adults are enrolled. List the actual date the child/adult enrolled.**

**NOTE: Eligible residential children in Emergency Shelters and children enrolled in an At Risk After School Care Snack Program (ASCS) are all in the "free" eligibility category.**

### **AFTER SCHOOL PROGRAM ROSTER**

You must complete a separate roster for the ASCS program. This roster should contain only the names of children participating in this program. All children in this program are in the "Free" category of eligibility. Remember that only school-age children (4-18 years old) are eligible for the ASCS program.

## INCOME ELIGIBILITY STATEMENT

(Commonly referred to as Free and Reduced Price Meal Applications)

As a participant in the CACFP, you must establish the eligibility of all your enrolled participants. Your enrolled participants are eligible for one of three rates - free; reduced price; or paid. The category selection is based on the participant's household income and Federal Income Eligibility Guidelines that are issued each year.

*Please ensure the correct form is used as the income eligibility statement forms for children and adults are different.* You must determine if the participant is in the free, reduced price, or paid category. Then transfer this result onto the roster under the column, "Category of Eligibility." If any of the participants fail to return the Income Eligibility Statement, you must place these participants in the "Paid" category of eligibility. Later, as you receive the Income Eligibility Statements from participants, update their category of eligibility on the roster accordingly. Instructions for completing the income eligibility statements are listed on the back of the forms.

### Day Care Home Sponsors:

#### INCOME ELIGIBILITY STATEMENT

(Commonly referred to as Free and Reduced Price Meal Applications)

As a sponsor in the CACFP, you must establish the eligibility of your sponsored providers. The providers are eligible for one of four rates - Tier I, Tier II-High, Tier II-Low, or Tier II-Mixed. The category selection is based on the provider's household income and Federal Income Eligibility Guidelines that are issued each year, current school data, or enrolled children's family income. A copy of the current guidelines can be downloaded from the Bright From The Start website at [www.decal.state.ga.us](http://www.decal.state.ga.us).

**Tier I** -The family day care home is located in the attendance zone of an elementary school with 50% or more of the children eligible for free or reduced priced meals, the provider's household income meets the eligibility requirements for free or reduced priced meals, or based on census data, the family day care home is located in a geographic area in which at least 50% of the children are members of households whose incomes are at or below 185% of poverty (to use this option, the sponsor must get approval from Bright From The Start and amend their management plan).

When basing tiering eligibility on the attendance zone of an elementary school, the sponsor must:

- ◆ Use only the school data report provided by Bright From The Start to find which elementary schools have 50% or more of their children eligible for free/reduced price meals.
- ◆ Verify that the day care home provider is located in the attendance area of the school by:
  - Contacting the school district office by phone, fax, or letter to verify the attendance zone of the provider. Do not ask the school district for the free/reduced price data, use only the data provided by Bright From The Start. The following information must be received from the school district: name of the school official, title, the date, and the name of the person requesting information from the sponsor's office. Please see Bright From The Start sample form, School Attendance Zone Verification.

OR

- Obtaining the official school-boundary map and mark each day care home on the map.

Exceptions- If the school district does not assign students to a specific elementary school, but rather the family chooses from several schools, school data cannot be used. Also, mandatory busing may impact free/reduced price eligibility percentages and schools will need to "back out" the students who are bused in. This also applies to magnet schools and charter schools. In these cases, provider's income may have been used to document Tier I reimbursement.

**Although school zone data is generally good for three (3) years, the tiering status of a day care home participating in the CACFP when based on school zone data is good for (5) five years.**

When basing tiering eligibility on the Provider's household income, the sponsor must:

- ◆ Give the provider the "Provider Letter" and enclosures (Provider's Own Income Eligibility Statement, instructions, Current Income Eligibility Guidelines, and Verification Information). See the Bright From The Start sample Letter to Provider for guidance.
- ◆ Have the provider complete a Provider Income Eligibility Statement.
- ◆ Verify using outside sources, that the information submitted by the provider is accurate.
- ◆ Get a new Provider Income Eligibility Statement each year.

### **Provider's Own Children**

For provider's own children to qualify for meal reimbursement, the provider will need to complete and qualify based on a Provider's Own Children Income Eligibility Statement. All income eligibility statements are good for 12 months.

When basing tiering eligibility on census data, the sponsor must obtain approval from Bright From The Start.

### **Tier II Determinations:**

**Tier II-High** - The sponsor receives Income Eligibility Statements from all children in the provider's care and determines that **ALL** children are eligible for free or reduced priced meals.

**Tier II-Low** - The provider does not want the sponsor to send Income Eligibility Statements to parents for completion, or based on the Income Eligibility Statement, none of the children in the provider's care are eligible for free or reduced priced meals.

**Tier II Mixed** - The sponsor receives Income Eligibility Statements from all children in the provider's care and determines some are eligible for free or reduced price meals and some are ineligible.

The provider can distribute the Income Eligibility Statements, but they **MUST** be completed and returned to the sponsor. The provider should **not** collect or review Income Eligibility Statements. The sponsor must determine if the participant is in the free, reduced, or paid category. The sponsor may tell the provider the number of children they have in each tier, but they **CANNOT** give out the names of the children. *Please ensure that you are using the correct form as the income eligibility statement forms for children and adults are different.*

**A new Income Eligibility Statement must be completed for each child on a yearly basis.** Instructions for completing the income eligibility statement are listed on the back of the form.

Provider's own children cannot be reimbursed for meals when a home is determined to be a Tier II home.

**NOTE:** Foster children must have an enrollment form and a completed and approved Income Eligibility Statement on file with the sponsor to be eligible for meal reimbursement.

## HOUSEHOLD LETTER INSTRUCTIONS

A letter or notice must be distributed to the households of children/adults enrolled in the center/program. This letter or notice tells the household members that school nutrition programs are available. The following documents should be attached to the household letter:

- Income Eligibility Statement
- Reduced Price Meal Income Guidelines
- Appeal Procedures (if a pricing program)

The *Reduced Price Meal Income Guidelines* must be attached to the letter and cannot include "free" meal guidelines. Therefore, do not use the *Income Eligibility Guidelines*, which contain both the free and the reduced income limits. The *Reduced Price Meal Income Guidelines* is a separate document and can be found on the website under *CACFP Forms \ Household Letters*.

Appeal procedures should only be attached when an organization is a pricing center.

Different types of household letters are found on the website as well. Use these Word documents to personalize the letter to your organization's information.