Potential Sponsoring Organizations

New Institutions Training

PY 2020-2021

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CACFP/SFSP Division

Office of Child Nutrition

601-576-5000

Purpose of Training

- To provide sponsoring organization of unaffiliated sites (center, at risk sites and/or homes) with the necessary tools to successfully administer the Child and Adult Care Food Program.

Introduction

The Child and Adult Care Food Program(CACFP) is a Federally-Funded Program that provides payment for eligible meals served to participants who meet age and income requirements.

Administrators of the CACFP

- **National Level**: United States Department of Agriculture, Food Nutrition Service (USDA -FNS)

- **Regional Level**: Southeast Regional Office (SERO)

- **State Level**: Mississippi Department of Education-Office of Child Nutrition (MDE-OCN)

Definitions

- **Sponsoring Organization**

   An institution who enters into an agreement directly with the State agency to operate the CACFP.

   -Public or private nonprofit (Affiliated or Unaffiliated)

   -For-Profit (Affiliated Only)

- **Facility**

   A facility enters into an agreement with the organization. A facility may be a childcare center, at risk afterschool center, outside school hours care center, homeless/emergency shelter, adult day care center or family day care home provider.

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Learning Outcomes

- Explain the definition of a management plan.

- Discuss CACFP performance standards.

- Discuss the components of a management plan.

- Highlight the responsibilities of Sponsoring Organizations.

- Highlight CACFP Budget requirements.

- Explain the purpose and importance of maintain accurate records.

- Discuss the purpose of monitoring and oversight.

Management Plan

- 7 CFR 226.6(b)(1)(iv)

Management Plans for Institutions

- CACFP regulations require State Agencies to develop application procedures to determine the eligibility of institutions.

- The application for Sponsoring organizations must include a management plan.

- Federal regulations provide specific requirements for Sponsoring organizations' management plan.

Definition of Management Plan

- A Sponsoring organization's written practices and procedures for CACFP operations.

Why are Management Plans Important?

- They connect the organization's vision for the CACFP administration to all required meal service operations.

- They document the organization's ability to provide compliant administrative and operating services to the CACFP facilities.

- They detail CACFP performance standards.

- They obtain and maintain approval to participate in the CACFP.

Required Elements of a Management Plan

- Copy of the current IRS 501(c)(3) Tax-Exemption Letter

- A successful organizational history, which includes the administration of federal and/or state programs or providing services to the community and children.
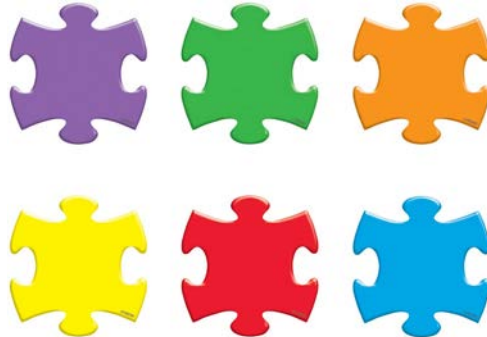
Required Elements of a Management Plan

- A business plan or recent audit for the Sponsor to demonstrate financial viability.

- **Family Day Care Home Sponsors**: An administrative budget which includes projected administrative earnings, expenses, and sources of funding or a recent audit to demonstrate financial viability.

Required Elements of a Management Plan

- A plan for maintaining financial records in accordance with Generally Accepted Accounting Principles. This plan shall include written procedures for documenting of daily functions.

- A plan for employing monitors (one full-time staff person) for each 25 to 150 centers under the organization's sponsorship.

- **Family Day Care Home Sponsors**: A plan for one full time equivalent (FTE) monitor for each 50-150 homes.

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Required Elements of a Management Plan

- **Sponsors of Centers**: A plan to demonstrate that no more than 15% of the centers' payments will be retained by the Sponsor for administrative purposes. The plan must include how administrative payments are used.

- A plan for disbursing payments to centers/providers within 5 working days of receiving funds from the State Agency.

- An annual business plan which outlines the expenditures and source of funding.

Required Elements of a Management Plan

- A plan for providing training to the Sponsor's staff.

- A plan for providing training to centers and/or providers.

- A plan for monitoring centers and/or providers.

- A plan for training monitors.

- Written procedures for obtaining approval of centers and/or providers.

Required Elements of a Management Plan

- Written procedures for maintaining records at the center and the Sponsor's office.

- Written procedures for maintaining providers' records at the Sponsor's office.

- A plan for providing access to the Sponsor's staff during the hours of operation of each center/home.

Required Elements of a Management Plan

- **Family Day Care Home Sponsors**: A list of the service area by county and potential providers to be sponsored along with a complete address of each provider.

- A description of the service area of the Sponsoring organization.

- A copy of the Sponsor's outside employment policy.

Developing a Management Plan

- The management plan is used to document accurate and effective polices that the State agency will evaluate to determine compliance with the CACFP performance standards.

- To ensure the plan is clear and provides sufficient detail, sponsoring organizations are encouraged to answer the **WHO**,**WHAT**,**WHEN**,**WHERE**, and **HOW** when developing policies and procedures for the plan.

Developing a Management Plan

- **WHO** is responsible for performing and providing oversight of the function or activity?

- Clearly describe **WHAT** the element, function, or activity is and adequately provide step-by step procedures.

- Detail **WHEN** the function or activity is performed.

Developing a Management Plan

- When applicable, provide the location for **<u>WHERE</u>** records related to the policy and procedures will be stored.

- Include **<u>HOW</u>** you will monitor the function or activity to ensure it's implemented and followed in accordance with the policies and procedures.

Example

How does the organization recruit eligible facilities to the CACFP?

Who: Clerical Staff collects new facility data from the licensing authority and the Executive Director is responsible for reviewing info and identifying potential facilities. The Field Operations Manager is responsible for hosting the info-sessions and will issue a brochure and discuss preliminary qualification for the program.

What: After identifying potential new facilities, monitors hand-deliver or we issue by mail a questionnaire and invitation to our new facility info-session that is held quarterly.

Example

- How does the organization recruit eligible facilities to the CACFP?

When: Data collection occurs monthly

Where: Monthly data, info-session materials and all communications are housed in the main office. If a potential facility is later enrolled and approved to participate in CACFP, copies of the communication is included in the facility's file.

How: The Executive Directors verifies the accuracy of all materials and the eligibility of all potential facilities prior to granting approval to move forward with an invitation to the info session.
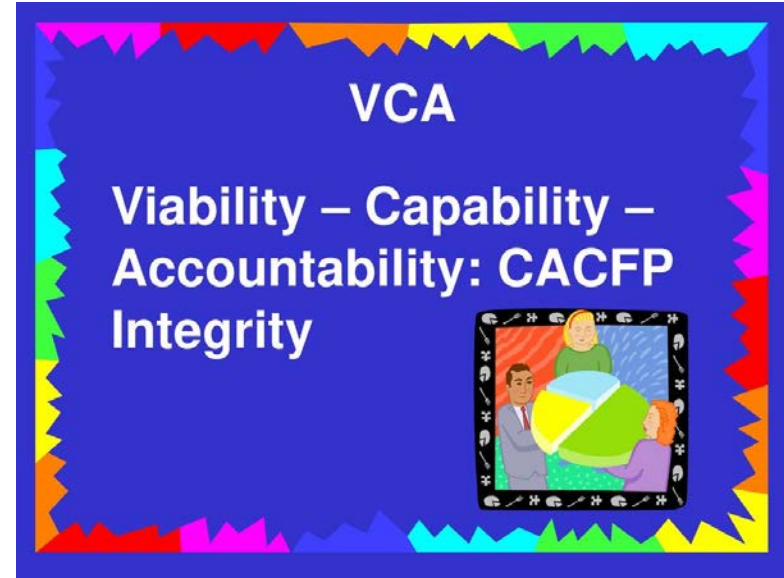
Performance Standards

- 7 CFR 226.6(b)(2)(vii)

  -Performance standards outline expectations for an institution's administration of the CACFP.

Performance Standards

- Financial Viability and Financial Management

- Administrative Capability

- Program Accountability

VCA

Viability – Capability – Accountability: CACFP Integrity

Financial Viability and Financial Management

- Identify sufficient need for providing CACFP to multiple sites.

- Have acceptable recruitment practices and not recruit sites from other existing Sponsoring organizations.

- Demonstrate a sound financial history through an audit, financial statements, ledgers, etc.

- Have sufficient funding sources to operate and administer CACFP, as well as other programs, within the organization, even during periods of temporary interruption of CACFP reimbursement.

- Have adequate funding sources, other than CACFP, to pay debts, start-up costs, or fiscal claims assessed against the organization.

Financial Viability and Financial Management

- Accurately estimate the total cost of operating and administering a foodservice program.

- Correctly determine the amount of CACFP reimbursement to be received on a monthly basis.

- Include only necessary, reasonable, allowable and documented costs in the CACFP budget.

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Financial Viability and Financial Management

- Positive net assets and cash flows from unrestricted funding sources.

- Financial stability, including restricted and unrestricted funding sources, that are available to support CACFP and other organizational operation.

- Amount of **contingency funds** in addition to CACFP reimbursement.

Financial Viability and Financial Management

- Financial statements or an audit that shows declining trends in net assets may demonstrates that an organization does not meet the financial viability performance standard.
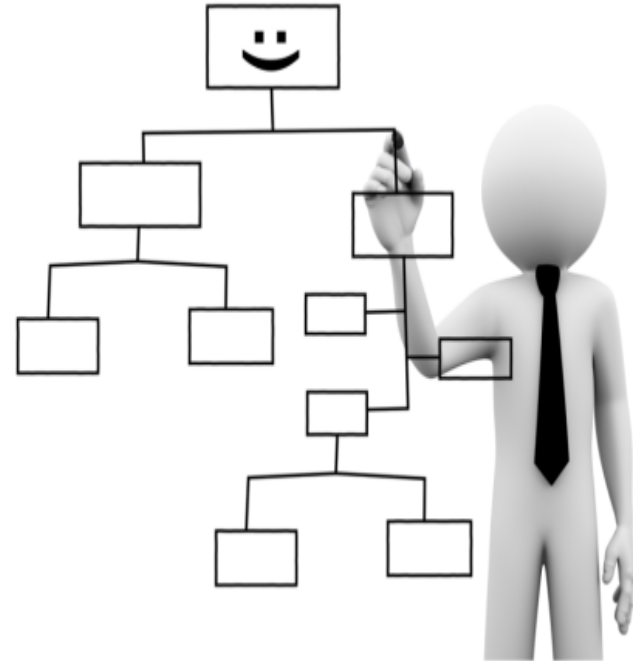
Administrative Capability

- 7 CFR 226.6(b)(2)(vii) (B)

  -Adequate number of knowledgeable and qualified staff

  -Written policies and procedures

Administrative Capability

- Organizational Chart

- Job Descriptions

- Compensation Plan/Handbook

Program Accountability

- 7 CFR 226.6(b)(2)(vii) (C)

- All organization must be accountable and have adequate management systems in place, to ensure program accountability including fiscal accountability and other CACFP operational requirement.

Program Accountability

- Effective governing board oversight

- Written internal controls and safeguards

- Integrity and accountability for expenses incurred

- Adequate recordkeeping practices to document compliance

Budgets/Costs

- FNS Instruction 796-2 Rev. 4

  Financial Management- Child and Adult Care

  Food Program

Food & **N**utrition **S**ervice	**FNS INSTRUCTION**	NUMBER
	U.S. DEPARTMENT OF AGRICULTURE 3101 PARK CENTER DRIVE ALEXANDRIA, VA 22302-1500	796-2 Rev. 4

ACTION BY: Regional Directors
                            Special Nutrition Programs

INFORMATION FOR: Regional Offices
                            State Agencies

**FINANCIAL MANAGEMENT -
CHILD AND ADULT CARE FOOD PROGRAM**

Budgets/Costs

- 7 CFR 226.6(f)(1)(iv)

- Institution must submit an administrative budget including projected CACFP earnings and expenses and non-Program fund that may be use in Program administration.

- The budget must include sufficient detail for the State agency to determine whether the expenditures area allowable, necessary, and reasonable.
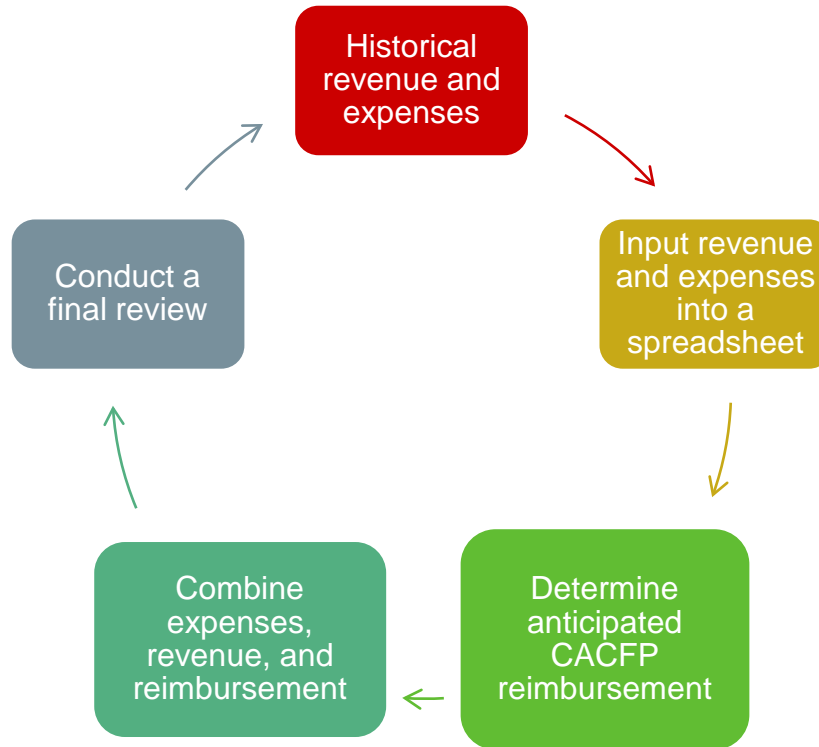
Budgets/Costs

- A budget must demonstrate to the State agency how the organization will fund the **vision** presented in the Management Plan.

- Budgets should be **supported** with documentation and should comply with all CACFP regulations.

- Budgets should be considered a **LIVING** document. It should be revised as often as necessary.

Budgets

- The budget must reflect the institution's anticipated needs for the coming fiscal year, detail line item costs, and support the allocation of costs.

- The budget must also identify an adequate level of funding for all required responsibilities.

Steps for Creating a CACFP Budget

Historical revenue and expenses

Input revenue and expenses into a spreadsheet

Determine anticipated CACFP reimbursement

Combine expenses, revenue, and reimbursement

Conduct a final review

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Training

- 7 CFR 226.15 (e)(12); 226.17 (b) (10)

- Records of a center's or provider's annual or more frequent Program training sessions must be maintained.

- These records must include dates, locations, CACFP topic discussed, and names of center personnel or providers in attendance.

Training Topics

- Civil Rights Compliance

- Enrollment

- Facility Reviews

- Food Safety and Sanitation

- Licensing

- Meal Counting and Claiming

Training Topics

- Meal Requirements and Menu Documentation

- Policies and Procedures required for the CACFP

- Procurement Procedures

- Recordkeeping Requirements

- Reimbursement Requirements

- Training Requirements

Oversight

- Oversight is Sponsoring organizations providing regulatory supervision over their sponsored facilities.

Definition: Monitoring

- It **is**….

  An evaluation or assessment of the facility's program operation.

  A required program oversight activity.

- It is **Not**….

  Training

  Technical assistance

  Claim processing

  Reimbursement

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- The purpose of monitoring is to examine and ensure facilities comply with the CACFP Requirements.

The Importance of Monitoring

- **BECAUSE** monitoring assesses the ability of child and adult care facilities to adequately plan, prepare, serve, and document reimbursable meals.

The Importance of Monitoring

The Sponsor-facilities relationship works best when it promotes mutual respect.

Organizations:

-**Must** assess program compliance,

-**Should** improve program quality and operations, and

-**Should** empower and motivate facilities to operate an effective program.

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Types of Monitoring

- Pre-approval Visits- 7 CFR 226.16(d)(1)

- Compliance Reviews-7 CFR226.16(d)(4)(1)-(iii)

- Follow-up Reviews- 7CFR 226.16(d)(4)(v)

Pre-approval Visits

The Sponsoring organization **must**:

-Visit facilities that wish to participate in the program

-Discuss program benefits and requirements

Compliance Reviews

The Sponsoring organization **must**:

    -Visit and spend enough time at the facility to
    assess its compliance with program
    requirements

Follow-up Reviews

Organization must **"follow up on"** specific program areas at facilities when:

- A serious deficiency is found in a previous review

- If required by the State agency and/or your policies

Understanding Staffing Requirements

- 7 CFR 226.16 (b)(1)

- 7 CFR 226.15 (e)(12) and (14)

Monitoring Staff

- Adequate in number based of the number of sites operated by the sponsoring organization

- Knowledgeable and trained in the required program areas

- Duties and responsibilities separated to ensure no conflict of interest

Things to Remember

- If your organization's initial management plan includes only one program type and you decide to add a second program type, the organization will have to **amend** their written management plan.

- Attendance at training for the additional facility type will be required.

Questions

Non-Discrimination Statement

This institution is an equal opportunity provider.