

Child and Adult Care Food Program (CACFP) Administrative Review Procedure

Purpose

1. To outline the steps for conducting an Administrative Review of a sponsoring organization of one or more licensed childcare centers, approved adult day care centers, head start programs, outside school hours centers, at-risk afterschool programs, and emergency shelters.

Legal Requirements

Laws and regulations that serve as the basis for this policy include:

- [7 CFR 226.6](#)

Selection of Organizations for Administrative Reviews

The selection of organizations who will receive an Administrative Review will be based on the following criteria:

1. At least 33.3 percent of all approved institutions will be reviewed annually. This will be determined by taking the total number of approved organizations for the review fiscal year and multiplying it by .333. This number will be rounded up to the next whole number to determine the number of organizations that must be reviewed.
 2. Small, independent centers and Sponsoring organizations of 1 to 100 facilities will be reviewed at least once every three years.
 3. Large, Sponsoring organizations with more than 100 facilities will be reviewed at least once every two years.
 4. 10 percent of small Sponsoring organizations' facilities will be reviewed. If a site under the Sponsoring organization has not had an on-site review in prior years, it will be one of the options for on-site review.
 5. 5 percent of large Sponsoring organizations' first 1000 facilities and 2.5 percent of the number of homes over the first 1000 will be reviewed. If a site or home provider has not been reviewed in prior years, it will be one of the options for an on-site review.
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6. An institution or Sponsoring organization who has had a significant change in its operation of CACFP may receive a visit (e.g. large staff turnover, large addition of facilities, etc.).
7. An institution or Sponsoring organization experiencing significant issues of non-compliance that must be corrected immediately.
8. An institution or Sponsoring organization that has had a complaint filed against them by households, participants or other partnering Agencies.

Administrative Review Procedure

A. Preparation:

Prior to conducting the Administrative Review of the Sponsor and sites, CACFP staff will analyze the following information:

1. The Sponsor's CNP web application and supporting documentation, noting any technical assistance that was provided during the annual renewal.
2. The claim for reimbursement and expenditures for the review month. The reimbursement and expenditures year to date will also be reviewed to evaluate non-profit food service.
3. Previous Administrative Review reports, noting any previous findings, corrective action, and technical assistance provided.
4. In addition, the CACFP reviewer will prepare the applicable Administrative Review forms.

B. Notifying Institution of the Review:

The State agency will notify the organization of the Administrative Review as follows:

1. Three weeks prior to the review, a letter will be sent to the institution identifying the review month and records that will be reviewed.
2. If the organization is a Sponsoring organization of facilities, the Sponsor will not be alerted which facilities will have on-site reviews.

C. Review Period:

The review period will be the most recent month for which a claim for reimbursement has been filed by the institution. The institution will also pull additional prior months records if the State agency determines additional need to determine the extent of non-compliance.

D. Entrance Conference:

CACFP staff will conduct an entrance conference with the CACFP coordinator, Program director, kitchen staff, and/or any other appropriate staff to discuss the purpose of the review, how the review will be conducted, and what will be evaluated.

E. Records Review:

The following documents will be reviewed to ensure Program compliance and technical assistance will be provided if needed. CACFP staff will gather information through the evaluation of documentation, staff interviews, and observations to determine if the Sponsoring organization is in compliance with federal regulations. An on-site review of a Sponsoring organizations' site(s) will occur before or on the same day(s) as the Administrative Review and will be unannounced.

1. **Records Retention** – verify that the Program records are maintained for three years (or the number of years on the Program, if less than three years) plus the current fiscal year.
2. **Application for Institution Participation** –
 - a. *Application Requirement* – ensure the institution is maintaining copies of its Program agreement and application.
 - b. *License Requirements* – ensure the current location has a current license posted and does not have more participants in care than stated on the license.
 - i. At-Risk Afterschool Care Centers and Outside School Hours Centers must meet State and local health and safety standards.
 - ii. There is no Federal licensing requirement for emergency shelters, but the shelter must meet State or local health and safety standards.
 - c. *Health, Safety, and Sanitation Requirement* – ensure all institutions and facilities have a food service operation that complies with applicable State and local health and sanitation requirements. The following aspects will be reviewed:
 - i. Health inspection report if applicable.
 - ii. Food preparation and handling.
 - iii. Food storage.
 - d. *Center Eligibility Requirement* –
 - i. Proprietary (For-Profit) Centers – ensure that at least 25-percent of the enrollees or 25-percent of their licensed capacity, whichever was less, were either Title XX or Title XIX

beneficiaries or were eligible for free and reduced-price meal benefits.

- Compare the name of the participants on the for-profit center's billing for the review month to the review month's claim for reimbursement. Ensure the center reported the correct number of enrollees receiving Title XX or Title XIX benefits or are eligible for free and reduced-priced meals.
- ii. **Area Eligibility for At-Risk Afterschool Centers** – ensure centers are located within the geographical boundaries of an elementary, middle, or high school in which 50-percent or more of the enrolled participants are eligible for free and reduced-price meals.
 - Review the appropriate school data to verify that the institution or facility is eligible. In addition, verify that it has organized, regularly scheduled, educational or enrichment activities.
- e. **Posters and Flyers Requirement** – verify that the “And Justice for All” and “Building for the Future” Poster is displayed in a conspicuous location for participants to view.

3. **Participant Records** –

- a. **Attendance Requirement** – verify that the institution is maintaining attendance records separately from the institution's meal count records.
- b. **Enrollment Rosters Requirement (Master list)** – verify that the roster lists the names and eligibility status of all participants enrolled. Evaluate how the institution tracks additions and withdrawals of participants to determine if the institution is maintaining an accurate roster.
- c. **Enrollment Records Requirement** – verify that the following information is captured on every enrollment form for each participant.
 - i. Child's first name, last name, and date of birth
 - ii. Normal days and hours of care and the meals normally received while in care
 - iii. Racial and ethnic data of the participant
 - iv. Annual documentation that the information has been updated as needed and signed by a parent or legal guardian

- d. *Claiming Status* – verify that all participants whose meals are claimed for reimbursement has a current, completed and accurately approved income eligibility form on file.
 - i. Participants that do not have an income eligibility form on file must have been claimed in the paid category.
 - ii. Participants that are claimed for free or reduced-price meals must have a complete income eligibility form on file.
 - iii. Head Start and Early Head Start receive free meal benefits without further application or eligibility determination. Verify that acceptable documentation is on file for head start participants such as a statement of Head Start or Early Head Start enrollment or a list of participants from a Head Start or Early Head Start official.
 - Compare the names of children claimed for free meals with Head Start or Early Head Start enrollment lists to ensure those children were properly claimed and that no other children’s meals were claimed as Head Start or Early Head Start participants.
 - iv. Emergency Shelters and At-Risk Afterschool Care Centers receive free meal benefits without further application or eligibility determination. Therefore, these sites will not maintain such documentation.

4. **Meal Service Records** –

- a. *Menu Requirement* – verify the institution has a posted menu listing all meals and snacks served to participants and families to view. Evaluate the institution’s menus for the claim period that is being reviewed to ensure that it meets the meal pattern requirements. Verify that any substitutions(s) to meal components is noted on the menus.
- b. *Meals Served to Children with Disabilities or Special Dietary Needs Requirement* – verify that participants who are served meal accommodations outside of the meal pattern have a signed medical statement on file from an approved medical authority. Ensure milk substitutions for non-disabilities are nutritionally equivalent to cow’s milk or have a medical statement to support the accommodation.
 - i. **Disabilities** – if an institution is serving a child/adult with a disability that requires meals and snacks to not meet meal pattern compliance, the parent and/or guardian must submit a

medical statement signed by an approved medical authority.

The medical statement must describe the following:

- The child's disability and how the disability restricts the child/adult's diet.
 - The major life activity affected by the disability.
 - The food or foods to be omitted from the child's diet.
 - The appropriate substitutions to be made.
- ii. **Special Dietary Needs** – if an institution is serving a child/adult with special dietary needs (vegetarian), the parent and/or guardian may request substitutions by submitting a written statement of foods to be omitted and appropriate substitutions to be provided that fall within the meal pattern requirements.
5. **Meal Count Requirements** – ensure daily counts of meals and snacks served to enrolled children/adults are taken at point of service and recorded.
- a. Verify that meal counts are taken at the actual time of service.
 - b. Compare your observed meal count for the day of review and the meal count taken by the institution.
 - c. Attendance records cannot be used to determine the number of meals and snacks served but must support the actual meal counts reported.
 - d. Meal counts cannot be pre-recorded (prior to meal service).
6. **Meal/Production Record** – ensure the institution is maintaining meal/production records for each meal served. The meal/production record must list the food item being credited toward the food component and the quantity of food prepared.
- a. Verify enough of each food item is prepared and available for the number of participants served for each meal service for the month of review.
7. **Meal Service Observation** – meal service must be observed during an on-site review of an independent center.
- a. *Meal Pattern Requirement* – observe the meal served and determine if all the required components and required quantities are served.
 - b. *Pre-plated Meal Service* – observe meal service to ensure all food components are portioned in the minimum portion sizes and placed on the plate. Observe whether the requirements of pre-plated meal service are being met and if not provide technical assistance.
 - c. *Family-Style Meal Service* – observe meal service to ensure the food components are placed on the table for participants to serve

themselves and that the minimum portions are available for each participant. Observe whether the requirements of family-style meal service are being met and if not provide technical assistance.

8. **Meal Service Time Requirement** – ensure that the meal service being observed is served during the time frame approved by the State agency.
9. **Menus and Foods Requirement** – Compare the meal served with the posted menu to ensure that the menu reflects the actual meal being served. If substitutions are made, make sure the meals are still in compliance and that center staff is documenting substitutions.
 - a. Ensure that all commercially processed combination dishes have a Child Nutrition (CN) Label or Manufacturer’s Product Formulation Statement (PFS) to verify that meal pattern requirements are being met.
10. **Training Records** – ensure the institution has provided adequate training to its staff and facilities. Records of annual training sessions for center staff must be maintained.
 - a. Verify that training session date(s), location(s), and the name of participants are documented.
 - b. Verify all required training topics were covered during training(s).
 - c. Verify the institution has attended annual CACFP training from the State agency or an approved source.
11. **Claims for Reimbursement** – ensure the institution maintains copies of all submitted claims for reimbursement.
 - a. Verify that the individual who submitted the claim is the same individual identified in the application as the claim authority.
 - b. Verify the claim for reimbursement is accurate based on review month documentation.
12. **Financial Management Requirements** – ensure the institution maintains copies of all income and expense information.
 - a. The Accounting System – verify which accounting system the institution utilizes.
 - i. Cash Basis – expenses and income are reported when paid or received.
 - ii. Accrual Basis – expenses and income are reported when the expense or income is incurred.

- iii. Modified Accrual Basis – certain expenses and income are reported on an accrual basis while others are reported on a cash basis.
- b. Revenues – ensure all revenues is attributable to the non-profit food service.
 - i. Verify the number of meals and snacks claimed was accurate and that meals and snacks were claimed in the correct category.
 - ii. Identify whether other revenue/income was acquired and attributed to the non-profit food service.
 - iii. If equipment is sold that was purchased for the food service funds, confirm the revenue from the sale was accounted for.
- c. Operating and Administrative Expenses – review all expenses to ensure all costs are allowable.
 - i. Confirm the food receipts support the meals and snacks served during the month reviewed.
 - ii. Confirm payroll records support the labor costs for the food service operation.
 - iii. If the director’s salary is reported as an expense to the food service operation, verify the allocation of the director’s time is reasonable based on duties performed for the food service operation.
 - iv. Verify the allocation of the cook’s time is reasonable based on duties performed for the food service operation. If the cook’s duties are all related to the food service, 100 percent of the cook’s salary can be attributed as an operating expense.
 - v. Verify expenses of office supplies, including postage, using receipts and invoices.
 - vi. Mileage expenses must be documented on an approved mileage log. Verify the mileage reimbursement does not exceed the Federal reimbursement rate. If the rate provided exceeds the Federal reimbursement rate, the Program must support that other sources of funding cover those costs.
- d. Non-Profit Food Service – verify whether the income exceeds the expenses.
 - i. If income exceeded the expenses, ensure the excess revenue is retained for the purpose of the non-profit food service.

- ii. Review unaffiliated centers expenses separately from the Sponsoring organization to ensure they operate a non-profit food service operation. If income exceeds the expenses, ensure the excess revenue is retained for the purpose of the non-profit food service.

13. Sponsoring Organizations –

- a. *Household Contacts* – analyze how effectively the Sponsoring organization is implementing the State agency’s household contacts system. Address the household contact policy for Sponsoring organizations.
- b. *Monitoring Requirement* – ensure the Sponsoring organization has completed the required monitoring of all sites.
 - i. Review all site review forms and ensure they are completed in its entirety. Ensure the 5-day reconciliation is completed correctly.
 - ii. Verify the Sponsor is meeting all of the requirements related to the frequency of facility reviews.

F. Technical Assistance:

CACFP staff will provide technical assistance to participating CACFP professionals to increase their knowledge of CACFP guidelines and Federal regulations. Providing technical assistance at the time of the review will ensure institutions are able to correct the findings. All technical assistance must be documented and maintained on file to support the institution’s progress.

G. Exit Conference:

CACFP staff will conduct an exit conference with the CACFP Coordinator, Program director, kitchen staff, and any other appropriate staff to review the findings from the administrative review.

The following information will be included in the exit conference:

1. Overall impressions of food service.
2. Whether the reviewed documentation supported the review month claim for reimbursement.
3. Findings that require corrective action and fiscal action.
4. Approximate date for review report to be sent outlining the findings discussed during the exit conference.
5. Technical assistance that was provided during the review.

6. Noteworthy initiatives.

Administrative Review Report

CACFP staff will prepare a comprehensive written report detailing all the findings and necessary corrective action within 30 days of the review date as a best practice.

Monitoring visits occasionally span several days or weeks due to CACFP staffing constraints. In these circumstances, CACFP staff will abstain from sending the Administrative Review Letter until all monitoring visits have been completed and required documentation have been evaluated. The Administrative Review Report will be sent to all responsible principles, which includes but not limited to, Executive Director or Owner, Chairperson of the Board, and CACFP Program Contact.

Corrective Action Plan Submission

Corrective action plan submission of all findings noted in the Administrative Review Report will be due within 45 days from the date of the review report was sent to the institution. Institutions must use the Corrective Action Plan Template provided by the State agency when completing corrective action responses. If corrective action has not been submitted by the due date the institution will be contacted. It will be required that the institution submit the corrective action within a specific timeframe unless a written extension is requested. If the institution does not submit corrective action within a reasonable timeframe, they may be determined seriously deficient in its operation of CACFP.

All corrective action will be reviewed for completeness by CACFP staff prior to closing the Administrative Review. If insufficient corrective action is submitted, the Sponsoring organization will be contacted regarding the additional required corrective action that must be submitted prior to closure. These exchanges will be documented and retained in the Administrative Review folder. Once completed corrective actions are submitted, reviewed, and approved, a closure letter will be sent to notify the institution that the material submitted provides documentation that all required actions were taken to bring the program into compliance with Federal regulations.

Upon closure, the file will be reviewed again for complete file documentation and placed in the following order, as applicable:

1. Review Checklist
2. Completed Fiscal Action Notice, if applicable (from the Business Office)
3. Closure Letter
4. Fiscal Action (if applicable)
5. Corrective Action Materials
6. Administrative Review Letter

7. Completed Administrative Review Forms for applicable organization
8. Prior Review Notes
9. Claims for Reimbursement
10. Application Print-Outs
11. Letter Announcing the Review

All Administrative Review documentation will be retained for a minimum of four Programs years and only purged after a subsequent administrative review has been conducted.

Follow-Up Reviews

Follow-up reviews can be conducted on-site or by reviewing CACFP records that have been mailed, faxed, or delivered to the State agency. Follow-up reviews will be conducted after corrective action has been accepted by the State agency or to verify program compliance related to errors found during application or claim review. CACFP staff will determine whether the follow-up review will be announced or unannounced.

During the follow-up review, the CACFP staff will only review Program findings of non-compliance based on the review of materials unless new findings arise. If any of the prior findings are still an issue of non-compliance, CACFP staff will determine whether the corrective action was sufficient. If the corrective action is not sufficient the institution may be declared as seriously deficient in its operation of the CACFP.

Findings that may constitute for a follow-up review:

- Enrollment Forms/Master Lists
- Free and Reduced Meal Applications
- Severe meal preparation issues
- Meal service (missing components)
- Verification of attendance
- Food safety issues
- Receipts
- Menus
- Claim Review
- 5-Day Reconciliation
- Meal Counts vs. Attendance

Repeat Findings

CACFP staff will look at prior reviews for previous findings and technical assistance that was provided to the institution. If repeat findings occur during the review, the CACFP staff will determine the seriousness of the repeat finding. Depending on the level of non-compliance for repeat findings, the CACFP staff will determine whether to declare the institution seriously deficient in its operation of CACFP. If it is determined that the institution is willfully non-compliant, they may be declared seriously deficient.

Repeat findings that could constitute a serious deficiency determination:

- Meal counts based off attendance numbers
- Claiming a significant number of meals that do not meet meal pattern compliance
- No meal record/production record documentation
- Failure to meet financial or administrative responsibilities
- Failure to conduct required monitoring of sponsors facilities

Non-discrimination statement:

In accordance with federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, this institution is prohibited from discriminating on the basis of race, color, national origin, sex (including gender identity and sexual orientation), disability, age, or reprisal or retaliation for prior civil rights activity.

Program information may be made available in languages other than English. Persons with disabilities who require alternative means of communication to obtain program information (e.g., Braille, large print, audiotope, American Sign Language), should contact the responsible state or local agency that administers the program or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339.

To file a program discrimination complaint, a Complainant should complete a Form AD-3027, USDA Program Discrimination Complaint Form which can be obtained online at: <https://www.usda.gov/sites/default/files/documents/USDA-OASCR%20P-Complaint-Form-0508-0002-508-11-28-17Fax2Mail.pdf>, from any USDA office, by calling (866) 632-9992, or by writing a letter addressed to USDA. The letter must contain the complainant's name, address, telephone number, and a written description of the alleged discriminatory action in sufficient detail to inform the Assistant Secretary for Civil Rights (ASCR) about the nature and date of an alleged civil rights violation. The completed AD-3027 form or letter must be submitted to USDA by:

1. **mail:**
U.S. Department of Agriculture

Office of the Assistant Secretary for Civil Rights
1400 Independence Avenue, SW
Washington, D.C. 20250-9410; or

2. **fax:**
(833) 256-1665 or (202) 690-7442; or
3. **email:**
program.intake@usda.gov

This institution is an equal opportunity provider.