



**North Carolina Department of Health and Human Services
 Division of Public Health Women's & Children's Health Section**
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Michael F. Easley, Governor

Carmen Hooker Odom, Secretary

April 5, 2002

CACFP 02-21

MEMORANDUM

TO Institutions Participating in the Child and Adult Care Food Program

FROM Arnette Cowan, MS, RD, LDN
 Head Special Nutrition Programs

SUBJECT **Implementation of Public Law 105-336: Program Licensing Requirements**

Provisions in Section 107(a)(2) of Public Law 105-336 amends section 17(a)(1) of the National School Lunch Act (42 U.S.C. 1766 (a) (1) to reorganize and revise program licensing requirements. First, section 107(a)(2) revises the licensing requirement for facilities providing care to children outside of school hours. Specifically, outside of school hours care programs, in areas where Federal, State or local licensing or approval is not required, are permitted to participate in the Child and Adult Care Food Program (CACFP) by meeting State or local health and safety standards. In addition, Section 107(a)(2) explicitly exempts schools from the licensing requirement.

This provision removes reference to an institution's receipt of Title XX funds as an acceptable form of approval when Federal, State, or local licensing or approval is not available. However, the Conference Report for Public Law 105-336 indicates that this revision is not intended "to disqualify any institution which originally qualified under Title XX."

Other Provisions of Public Law 105-336:

Moving Toward Tax Exempt Status

Section 107(d)(1) amends section 17(d)(1) of the NSLA (42U.S.C. 1766 (d)(1) to limit the participation of private institutions seeking tax exempt status from the Internal Revenue Service to a period of not more than 180 days. This 180-day timeframe may be extended an additional 90 days by the SA if the institution demonstrates to the satisfaction of the SA that the institution's inability to obtain tax exempt status is beyond its control. Prior to this change, there were no time limits or restrictions on CACFP participation for institutions seeking tax-exempt status.

When implementing this provision, SA's should begin the 180-day timeframe on October 1, 1998, for institutions already in the process of seeking tax exempt status, because this is the effective date of this provision.



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Program Licensing Requirements

Consolidating Benefits for Homeless Children

Section 107(j) of Public Law 105-336 amends sections 13(a)(3)(C) and 17 of the NSLA (42 U.S.C. 1761(a)(3)(C) and 1766 respectively) by transferring authority over Summer Food Service Program (SFSP) homeless sites to CACFP. The law also abolished the Homeless Children Nutrition Program under section 17B of the NSLA (42 U.S.C. 1766(B), and added a new paragraph (q), "Participation by emergency shelters," to section 17 of NSLA (42 U.S.C. 1766(q)), to consolidate the administration and delivery of benefits to homeless children under a single program. Moving homeless sites from SFSP into CACFP provides an opportunity to deliver important nutrition benefits to children ages 12 and younger, all year-round. It allows sponsors to serve each eligible child up to three meals or two meals and one supplement each day. However, teenage youth living in homeless shelters who would have been eligible for Summer Food Service Program (SFSP) will not be eligible for Child and Adult Care Food Program (CACFP) benefits with the exception of the at-risk program.

Amendments affecting benefits to homeless children became effective July 1, 1999.

If you have questions, please contact your regional consultant.

AC/ERB/clg

cc: SNP Staff
Auditors