



North Carolina Department of Health and Human Services
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Michael F. Easley, Governor

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September 30, 2002

CACFP-02-40

MEMORANDUM

TO: Institutions Participating in the Child and Adult Care Food Program

FROM: Arnette Cowan, MS, RD, LDN
Supervisor, Special Nutrition Programs Unit

SUBJECT: **Update on For-Profit Center Eligibility After September 30, 2002**

This memorandum provides updated information on the free/reduced price provision regarding the eligibility of for-profit centers in the CACFP. As of October 1, 2002, for profit centers will not be eligible to participate in CACFP under the 25 percent free/reduced price provision. However, it is possible that eligibility will continue under a continuing resolution if the Fiscal Year (FY) 2003 appropriation bill is not passed in time.

As a reminder, for-profit centers continue to be eligible for CACFP benefits if the center receives title XX funds for at least 25 percent of its enrolled participants or licensed capacity, whichever is less. For-profit centers that do not qualify as title XX centers, but are currently participating under the free/reduced price provision, may choose to continue providing meal service at their own risk (i.e., there is no guarantee the free/reduced price provision will be extended and that retroactive reimbursement will be authorized). If a center chooses this option it should keep the appropriate records to document compliance with CACFP requirements, as these records will be needed to support a claim if the free/reduced price provision is extended and reimbursement back to October 1, 2002, is authorized.

If you have any questions, please contact your regional consultant.

AC/clg

cc: SNP Staff
Auditors

