



**North Carolina Department of Health and Human Services  
Division of Public Health – Women’s & Children’s Health Section**

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**CACFP 04-07**

**February 27, 2004**

**TO: Sponsoring Organizations Participating in the Child and Adult Care Food Program**

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

**SUBJECT: Sponsor Monitoring Requirements in the Child and Adult Care Food Program (CACFP) – §226.16-04**

There have been several questions regarding the requirements established at §226.16(d)(4) for sponsors’ review of their facilities. These questions focused on the longstanding requirements that new facilities be reviewed within the first four to six weeks of operation, and that each facility must be reviewed three times each year.

The requirements for sponsor monitoring of facilities set forth as §226.16(d)(4) are based on the assumption that most facilities participate in CACFP 12 months each year, and that they continue to participate on a full-year basis from one year to the next. Although this is not universally true, it is still the norm in many places.

**“First review” Requirement**

Sections §226.16(d)(4)(i)(C) and §226.16(d)(4)(ii)(C), which establish the requirements for “first reviews” of sponsored centers and day care homes, respectively, are based on this assumption of continuous, year-round participation.

The first review requirement is designed to ensure that facilities **that are new to CACFP** receive an early review from their sponsor, to minimize the possibility that the facility is making critical errors that could result in large overclaims. This does not mean that every time the State Agency renews a sponsor’s application, all of its facilities must again be reviewed on the “first review” schedule. The first review requirement should also apply to a facility that changes sponsors (insofar as that facility is a “new participant” in the sponsorship to which it has transferred) or to a facility that re-enters CACFP after a break in participation.



**“Three times per year” Requirement**

Sections §226.16(d)(4)(i) and §226.16(d)(4)(ii) establish the requirement that each sponsored center and each day care home must be reviewed three times each year. In response to requests from several regional offices (ROs), the National Office has clarified the minimum review requirements when a facility begins CACFP participation near the end of the sponsor’s review cycle.

For example, if a sponsor used the fiscal year (FY) as its normal review cycle, how many reviews would a sponsor be required to conduct of a day care home added to its rolls on August 29, 2003? The answer is “once in FY 2003 and three times in FY 2004”, because the first review requirement would require the sponsor to review the home within its first four weeks of operation (i.e., by September 29, 2003). The “normal” three times a year requirement for this home would commence with the new review cycle in FY 2004.

**Other variations on “three times per year”**

There are, of course, many other scenarios that could occur. To cite two of the more common examples, a home may begin participating in CACFP six months into the review cycle, or a sponsored Head Start center may regularly participate for only nine months each year. In these less typical cases, the SA would consult with RO and exercise its judgement in determining the minimum review requirements for a given sponsor and its facilities.

The State agency is establishing requirements concerning the monitoring of facilities that participate on an other-than-year-round basis. All sponsors are required to annually update their management plans §226.6(b)(5) and must demonstrate, as part of their renewal applications, that they will perform monitoring in accordance with §226.6(b)(18)(iii)(D)(2). This will allow the SAs to ensure that State-level requirements pertaining to the minimum number of reviews for part-year participants are being met as part of their approval of a sponsor’s initial management plan and/or renewal application.

If you have questions, contact your regional consultant.

cc: SNP Staff  
Auditors

