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Memorandum

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

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Subject: Conducting Five-Day Reconciliation in the Child and Adult Care Food
Program, with Questions and Answers

The purpose of this memorandum is to highlight State flexibilities and local choices for complying with the five-day reconciliation requirement in the Child and Adult Care Food Program (CACFP). Under 7 CFR 226.6(m)(4) and 226.16(d)(4), all reviews of day care homes and sponsored centers must include the reconciliation of meal counts with enrollment and attendance records for five consecutive operating days. USDA's Food and Nutrition Service (FNS) is issuing revised guidance to eliminate disparities and reduce duplication in this review process. This guidance supersedes CACFP 24-2016: *Conducting Five-Day Reconciliation in the Child and Adult Care Food Program, with Questions and Answers*, issued on September 7, 2016.

FNS considers the five-day reconciliation to be an important aspect of a review and a vital tool for assuring Program integrity. A recommendation from the report, *Reducing*

Paperwork in the Child and Adult Care Food Program, suggests that there is wide variation in what reconciliation is expected to achieve and how it is conducted. This process, in concept and in practice, is intended to be fairly simple. As part of every review of a day care home or sponsored center, the monitor must reconcile and ensure consistency of three critical elements— enrollment, attendance, and meal counts—for a five-day period. If the data are consistent, it is also likely that the day care home or center is keeping accurate enrollment and attendance records and correctly reporting the number of meals served each day.

If the data are not consistent, the monitor must try to determine the reasons for the discrepancies and any corrective actions that would be needed. The monitor must also determine whether any meals should be disallowed or an overclaim should be established. Meals should not be disallowed if there is a reasonable explanation for the inconsistency.

Reconciliation is also required as part of reviews of sponsoring organizations. The scope of review requires the monitor to check the accuracy of the day care home or center's meal counts and evaluate the effectiveness of the sponsor's monitoring process. FNS is in the process of establishing written procedures to help ensure that five-day reconciliation reviews are conducted uniformly, in compliance with CACFP regulations and guidance.

Reconciliation is effective as a spot check of claiming procedures that encourages monitors to look for sources of errors in the claiming process and determine appropriate actions to correct them. Sponsoring organizations are not expected to use the five-day reconciliation as verification or to require monitors to conduct daily comparisons of enrollment, attendance, and meal counts. These three elements do not have to align perfectly on each review to make the reconciliation work as a useful monitoring tool.

Since FNS issued CACFP 24-2016, stakeholders have provided input about making the reconciliation process more efficient. For example, in States that require an evaluation of meal counts, attendance, and enrollment documentation for the entire claim period, either as edit checks or as part of their review process, a separate reconciliation should not be needed. As investment in automated data systems grows, increasing numbers of sponsoring organizations and their day care homes and centers have access to electronic tools that are designed to accomplish the same goals as reconciliation. In addition, as in centers, monitors of day care homes should be able to use aggregate data to compare enrollment, attendance, and meal counts as a first step, rather than individual participant data.

Accordingly, this revised guidance establishes a single set of procedures, with fewer steps, that will eliminate disparities in conducting reconciliation in day care homes and

centers, and recognizes automated data systems that are designed to accomplish the same goals as reconciliation. This guidance also clarifies that preliminary steps, which require the monitor to examine licensed capacity, enrollment, and attendance to ensure that the documentation is current and accurate, are part of the normal onsite review of a day care home or center's daily records. There is no need to cite licensed capacity as a step in the reconciliation process. FNS will make corresponding changes to the CACFP guides, *Family Day Care Home Monitor Handbook* and *Monitoring Handbook for State Agencies*, found at <https://www.fns.usda.gov/cacfp/cacfp-handbooks>.

The streamlined procedures outlined in this guidance reflect USDA's commitment to work with States to encourage forward-thinking strategies that would both ensure that CACFP operates with integrity and alleviate unnecessary regulatory burdens

Contact your Regional Consultant with questions.

Attachment

Questions and Answers Five-Day Reconciliation

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Requirements for Compliance

1. What is the reconciliation of meal counts requirement in the Child and Adult Care Food Program (CACFP)?

Sponsoring organization provisions, under 7 CFR 226.16(d)(4)(ii), describe reconciliation of meal counts with enrollment and attendance records for a five-day period, as follows:

“Reviews must examine the meal counts recorded by the facility for five consecutive days during the current and/or prior claiming period. For each day examined, reviewers must use enrollment and attendance records (except in those outside-school-hours care centers, at-risk afterschool care centers, and emergency shelters where enrollment records are not required) to determine the number of participants in care during each meal service and attempt to reconcile those numbers to the numbers of breakfasts, lunches, suppers, and/or snacks recorded in the facility's meal count for that day. Based on that comparison, reviewers must determine whether the meal counts were accurate. If there is a discrepancy between the number of participants enrolled or in attendance on the day of review and prior meal counting patterns, the reviewer must attempt to reconcile the difference and determine whether the establishment of an overclaim is necessary.”