



STATE OF CONNECTICUT DEPARTMENT OF EDUCATION



TO: Child and Adult Care Food Program (CACFP) For-Profit Institutions

FROM: Shannon K. Yearwood, Bureau Chief *Shannon K. Yearwood*
Bureau of Child Nutrition Programs

DATE: February 20, 2025

SUBJECT: Operational Memorandum No. 1P-25
Audit Requirements for For-profit Subrecipients

The Connecticut State Department of Education (CSDE) is required to institute audit procedures applicable to for-profit subrecipients participating in the Child and Adult Care Food Program (CACFP). Each state agency has the authority to establish audit policy for for-profit child care institutions and for-profit adult day care (Title XIX) institutions regarding the receipt of federal funds. The CSDE's audit policies and procedures for all for-profit institutions participating in the CACFP are below.

Single Audit (e.g., Organization-wide Audit) Required

For-profit institutions that expend \$750,000 or more of total federal awards in a year are required to have an annual organization-wide audit performed. The audit must comply with the provisions of the Federal Office of Management and Budget (OMB) [Uniform Grant Guidance](#), [2 CFR Part 200 Subpart F](#) and the applicable [Compliance Supplement in 2 CFR Part 200, Appendix XI \(revised May 2024\)](#) to be used in conjunction with that audit. The Compliance Supplement is effective for audits of fiscal years beginning after June 30, 2023, and supersedes all previous revisions issued by OMB. A copy of the organization-wide audit report must be submitted to the CSDE's Bureau of Child Nutrition Programs within six months following the end of the institution's fiscal year.

Please also note the information below.

- Federal funds include CACFP meals and cash-in-lieu reimbursements, and all other federal funds received and subsequently expended by the institution.
- The cost of the audit is an allowable cost to the CACFP. With prior state agency approval, institutions that are required to have an organization-wide audit performed can amend their approved CACFP budgets to include the prorated cost of conducting the audit.
- Important notes regarding COVID-19 grant funding: The CSDE was charged with implementing programs under the Coronavirus Aid, Relief and Economic Security Act

(CARES Act), the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA Act), the American Rescue Plan Act (ARP Act), and the Coronavirus State and Local Fiscal Recovery Fund (CSLFRF) to support elementary and secondary education. The Education Stabilization Fund (ESF) was established, with the passing of the CARES Act in March 2020, to provide direct economic assistance to K-12 schools. The CRRSA Act and ARP Act were passed in December 2020 and March 2021, respectively, to address the continued impact of COVID-19 through additional funding to the ESF. The CSLFRF was authorized by Sections 602 and 603 of the Social Security Act to provide direct payments in response to the negative economic and fiscal impacts of COVID-19.

Please note that Appendix VII of the [Compliance Supplement in 2 CFR Part 200, Appendix XI \(revised May 2024\)](#) contains important information regarding COVID-19 Grant compliance, reporting and auditing requirements.

Audit Exemption

For-profit institutions that expend total federal awards of less than \$750,000 in a year are exempt from audit requirements for that year but must still complete and return the attached *Notice of Audit Exemption* form to the Bureau of Child Nutrition Programs no later than **March 31, 2025**. In addition, records must be available for review or audit by appropriate officials of the federal agency, the CSDE or other pass-through agency, and the U.S. Government Accountability Office.

The CSDE is required to take immediate corrective action when CACFP institutions do not comply with the audit requirements. Failure to submit the required organization-wide audit or the *Notice of Audit Exemption* form may result in the CSDE declaring the institution seriously deficient in the operation of the CACFP.

Questions may be directed to Susan Boyle at susan.boyle@ct.gov.

SKY:shb

Important: This is a numbered Connecticut State Department of Education (CSDE) operational memorandum that contains important program information. Please read carefully and retain for future reference. All CSDE operational memoranda are posted on the CSDE's [Operational Memoranda for the CACFP](#) webpage.

Notice of Audit Exemption

For-profit Child Care and For-profit Adult Day Care (Title XIX) Child and Adult Care Food Program (CACFP) Institutions

Instructions: Complete all information below. Send this form and all related audit reports to Susan Boyle at susan.boyle@ct.gov by **March 31, 2025**.

CACFP agreement number:

Name of institution:

Institution fiscal year (check the fiscal operating cycle covered by this report):

- July 1, 2023 – June 30, 2024
- October 1, 2023 – September 30, 2024
- January 1, 2024 – December 31, 2024
- Other (indicate): through

Total amount of federal awards expended during the fiscal operating cycle covered by this report (approximate amount from all federal sources):

\$

Check one box only:

- Audit exemption:** This CACFP institution has expended total federal awards of less than \$750,000 for the fiscal year indicated above, and therefore is **not required to have an annual organization-wide audit** performed in accordance with the provisions of the [Uniform Grant Guidance, 2 CFR Part 200 Subpart F](#) and the applicable [Compliance Supplement in 2 CFR Part 200, Appendix XI \(revised May 2024\)](#) to be used in conjunction with that audit. However, all records must and will be available for review or audit by appropriate officials of the federal agency, the CSDE, or other pass-through agency, and the Government Accountability Office.
- Single audit (organization-wide audit) required:** This CACFP institution has expended \$750,000 or more of total federal awards for the fiscal year indicated above and **will therefore submit a copy of its annual organization-wide audit** within six months following the end of the institution's fiscal year.

Signature of Authorized Representative (Signature #1 on ED-099)

Date: