



STATE OF CONNECTICUT
DEPARTMENT OF EDUCATION



TO: Child and Adult Care Food Program (CACFP) Family Day Care Home Sponsors

FROM: Cheryl Resha, Education Manager *Cheryl Resha*
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DATE: January 11, 2011

SUBJECT: Operational Memorandum #06H-11
Child Nutrition Reauthorization 2010: Administrative Payments to Family Day Care Home Sponsoring Organizations

The Healthy, Hunger-Free Kids Act of 2010 (the Act), Public Law 111-296, was signed into law by President Obama on December 13, 2010. The Act modifies the requirements for administrative payments to sponsors of family day care homes (FDCH) in the Child and Adult Care Food Program (CACFP). The purpose of this memorandum is to provide guidance on the implementation of these modifications.

Section 334 of the Act amends section 17(f)(3) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1766(f)) to eliminate the “lesser of” cost and budget comparisons for calculating administrative payments to FDCH sponsoring organizations. Instead, effective October 1, 2010, administrative reimbursements are determined only by multiplying the number of family and group day care homes submitting a claim for reimbursement during the month by the appropriate annually adjusted administrative reimbursement rate.

Any FDCH sponsoring organizations that have been reimbursed for the months of October, November and December, based on the previously required “lesser of” calculations, will be recalculated to reflect the payment based only on the number of homes submitting claims in those months multiplied by the applicable administrative rate. Any resulting reimbursement owed to FDCH sponsoring organizations will be paid retroactively back to October 1, 2010.

Sponsoring organizations are still required to submit annual budgets that must be approved by the State agency. Further, sponsoring organizations remain responsible for correctly accounting for costs and for maintaining records and sufficient supporting documentation to demonstrate that costs claimed have been incurred, are allocable to the Program, and comply with applicable Program regulations and policies. The State agency must continue to recover reimbursements that are unallowable or that lack adequate documentation. This new provision will help streamline administrative payments to FDCH sponsoring organizations and reduce reporting requirements.

This Act also allows FDCH sponsoring organizations to carry over up to 10 percent of their administrative funds into the next fiscal year. Due to the complexities associated with this provision, however, we will provide separate guidance on implementing the carryover before the end of the current fiscal year.

Questions may be directed to:

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Important: This is a numbered Operational Memorandum that contains important program information. Please read carefully and retain in a binder for your future reference. Operational Memoranda are also posted on the Child Nutrition website at: <http://www.sde.ct.gov/sde/cwp/view.asp?a=2626&q=321576>