



2017 CACFP FINDINGS

Lessons Learned

Report on the Five Most Common Finding Categories Identified During the 2017 Administrative and Site Reviews for Child Care Centers

This information is provided to assist Contracting Entities (CEs) to identify potential weaknesses in program operations. These findings were for CE and sites that were reviewed in 2017.

CEs should strengthen internal procedures to ensure:

- ◆ Healthy meals and snacks are provided for children
- ◆ Compliance with program requirements
- ◆ Receipt of full reimbursement
- ◆ Common errors are avoided



Preventing Common Administrative Findings

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Obtain updated eligibility and enrollment forms at the same time each year.

Claim a child as free or reduced-price only when:

- 1) Eligibility forms are complete.
- 2) The information in the forms supports the free or reduced-price determination.

Use an additional staff member to verify:

- 1) Compliance with meal pattern requirements.
- 2) Quantity of each meal component is sufficient for the number of meals served.
- 3) Records are complete and eligibility has been determined correctly.

Meal Counting and Claiming

44% CEs had attendance or meal counts reported on claim did not agree with the validated count

Common Examples

These errors resulted in the CEs claiming either more than or fewer than the eligible number of participants.

- The meal count is not taken at the point of service.
- The CE does not correctly make changes to the Attendance and Meal Count form by initialing the change. Correction tape or fluid is not allowed on the form.
- Meal count and attendance numbers on the claim were inconsistent regarding the numbers on the CE's meal count and attendance records.
- Number of meals claimed did not agree with meal count records due to math errors when adding the number of meals and mistakes made transferring data from form to form or to the TX-UNPS claims screen.
- Meal count records were missing and not maintained according to record keeping requirements.
- The CE claimed over licensed capacity.



Effects on the Claim

TDA will disallow meals if a CE claims more meals than are supported by the documentation submitted. On the other hand, if an eligible participant is not claimed then reimbursement cannot be received for that participant unless the error is discovered and an amended claim is submitted.

Eligibility

- 35%** CEs had Income Eligibility Forms that were not current, completed accurately or categorized correctly.
- 26%** CEs placed participants in the wrong eligibility category (free, reduced-price, or paid).

Common Examples

- The number of participants claimed in each eligibility category (free, reduced-price, paid) did not match the eligibility count validated by the TDA reviewer. This is generally due to incorrect eligibility determinations or expired Meal Benefit and Income Eligibility Forms.
- Eligibility forms were missing or incomplete.
- Participants were placed in the incorrect category (i.e. free instead of reduced, reduced instead of paid).
- Mistakes were made transferring information to the site claim report.
- The form was missing the TANF, SNAP, or FDPIR number; income; frequency of income; or the last four digits of the social security number of the adult signing the form.



Effects on the Claim

TDA will establish an overpayment when the Meal Benefit and Income Eligibility Form is missing or incomplete, over 12 months old, or the eligibility category selected was incorrect (free instead of reduced or paid, or reduced-price instead of paid). Additionally, the CE will be required to claim the child in the paid category for all future claims until an updated and correct CACFP Meal Benefit Income Eligibility Form is received. These errors could also result in a for-profit child care center falling below the 25% Title XX free or reduced-price meals requirement making the CE ineligible to file a claim for that month.

Resource Management

- 29%** CEs did not maintain an adequate financial management system
- 19%** CEs purchased items or claimed expenses which are not necessary, reasonable and/or allowable
- 14%** CEs had written procurement procedures that do not meet requirements

Common Examples

- The CE purchased unallowable items (non-food purchases) with CACFP funds such as: gift cards, stamps, games, toys, hosiery, dog food, international phone calls, or coffee.
- The CE claimed expenses which were not on the approved budget: additional salaries, salary exceeding the approved budget, building remodel, car/truck payments.
- The CE did not have receipts/invoices to support food/milk expenses.
- The CE's current financial management system is not utilized to track/monitor CACFP revenue and expenses separately from other revenue and expenses.
- A system was not established to ensure each site maintains written compensation policy, time distribution records, financial system, and calculation of cost of inventory.
- There are not adequate written procurement procedures such as micro purchase procedures.
- The CE failed to compare actual program expenditures against budgeted amounts and then not submitting adjusted budgets to TDA.
- Required training is not undertaken or documentation is not maintained or complete.



Effects on the Claim

TDA could take the following actions:

Require a return of funds to the food service account for unallowable expenses.

Disallow meals and reduce the claim accordingly when receipts or invoices are not provided to support the number of meals claimed.

Place the CE in serious deficiency.

Enrollment Records

- 26%** CEs did not properly enroll all claimed participants
- 25%** CEs did not report the correct enrollment count on the claim

Common Examples

- Enrollment forms were missing.
- Enrollment forms did not include all required information:
 - ◊ Child's name
 - ◊ Child's date of birth
 - ◊ Meals/snacks normally served to the child while in care
 - ◊ Days and hours the child is normally in care
 - ◊ Enrollment and withdrawal dates (or correction fluid was used to change dates)
 - ◊ Parent's or guardian's signature
 - ◊ Date of signature
- The CE did not include all participants, or did not add "drop in" participants, or failed to withdraw participants or included children from other sites.
- Math errors were made when totaling numbers or numbers were transposed.
- Enrollment forms were not updated annually.
- Enrollment numbers on the claim did not match those validated by the reviewer.
- The correct enrollment count was not reported in TX-UNPS.
- The CE recorded enrollments based on license capacity.



Effects on the Claim

TDA will disallow meals and the claim will be reduced ac-

Meal Production/Food Service (Site Specific Findings)

- 20%** CEs did not have records of purchases/acquisitions of food to support the menu listed on meal production records
- 16%** Meal analysis indicated incorrect quantities were prepared

Common Examples

- Food item description was incomplete because the CE failed to record the following:
 - ◊ Specific type of milk served (for example 1% or skim milk for children ages 2 and older)
 - ◊ Whether the juice served was full strength
 - ◊ Brand of infant formula served
 - ◊ Type of cut (sliced, diced, etc.) for the fruit or vegetable served
- Quantity of the food item was missing or was incorrectly recorded. Quantities must be recorded in measurable units, such as grams, ounces, or pounds. TDA can't accept information such as the number of slices of bread or the number of tortillas.
- A meal analysis could not be determined because the child nutrition label was not available for the processed food item served.
- The meal production record did not include all required components for the meal type and documentation of quantities prepared.
- The observed meal was not served at the time stated on the site application.
- Milk was either not served or not served at the same time as the other meal components.

Effects on the Claim

TDA may disallow meals and may reduce the claim accordingly.





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