POLICY ALERT

Date: October 28, 2005
Reference: # CACFP ADC 2006-1
To: Child and Adult Care Food Program-Adult Day Care (CACFP-ADC) Sponsors
Subject: Frequency of Monitoring Reviews and the Option to Implement Review Averaging
Effective Date: October 1, 2005

APPLIES TO SPONSORING ORGANIZATIONS ONLY

Purpose
This Policy Alert revises:
• the Monitor Review section 4340 of the CACFP – ADC Handbook; and
• the Monitoring Requirements section in Policy Alert CACFP — ADC 2003-4.

Background
The Child and Adult Care Food Program: Improving Management and Program Integrity
Rules changed the requirements for monitoring reviews of centers conducted by Sponsoring
Organizations (SO). The intent of this change is to allow Sponsors to better manage their
monitor review responsibilities, and to make more effective use of their monitoring
resources.

1. The timeframe for the first review for a new center is changed. See New Review
Frequency chart in Part I.

2. SOs have the option to average their monitoring reviews by reducing the number of
required monitoring reviews for their best centers and increasing the number of
monitoring reviews for new or error-prone centers most in need of help and oversight.

Implementation
October 1, 2005 and thereafter.

Definitions
Block Claim - meal/snack counts submitted for reimbursement by a center for which the
number of meals claimed for one or more meal type (breakfast, lunch, snack, or supper) is
identical for 15 consecutive days within a claiming period. In Texas, sponsored centers do
not submit a “claim” to their sponsor. Instead, they send documentation of their meal
counts. This documentation is considered a claim for the purpose of this Policy Alert.

Example of a block claim: A center operates Monday through Friday each week and claims
100 breakfasts each day for three consecutive weeks, or 15 consecutive operating days in a
month.

Complete Monitoring Review – a monitoring review that covers all the requirements on
Form H1602, Monitor Review.

continued

This Policy Remains in Effect Until Further Notice
Definitions continued

**Facility Profile** – the criteria established by the SO to determine which centers receive 2, 3, or 4 monitoring reviews.

**Frontloading** – conducting a majority of monitoring reviews early in the Program Year.

**Legitimate Block Claim** – a block claim that is an accurate meal count.

**Monitoring Review Averaging** – conducting the same total number of annual monitoring reviews (three times the number of sponsored centers) by reviewing some centers twice a year, and other centers more than three times per year.

Example: A Sponsor has 100 centers: 100 centers X 3 monitoring reviews = 300 total monitoring reviews. If the SO averages the reviews, a total of 300 monitoring reviews must be conducted.

**Monitoring Review Cycle** – how often centers must be reviewed.

**New Center** – a center that has no previous experience in the CACFP, has had a break in service, or has transferred from one Sponsor to another Sponsor.

**Participating Center** – a center that is actively claiming.

**Program Year (PY)** – the CACFP Program Year, October 1 through September 30.

**Unsubstantiated Block Claim** – a block claim that does not have the documentation to verify the meal count.

### Part I

**Monitoring Review Requirements**

<table>
<thead>
<tr>
<th>Type of Center</th>
<th>Number Per Program Year (PY)</th>
<th>Maximum Length of Time in Operation Before First Monitoring Review</th>
<th>Maximum Time Between Monitoring Reviews</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adult Day Care Centers</td>
<td>3</td>
<td>4 weeks*</td>
<td>6 months</td>
</tr>
</tbody>
</table>

Monitoring Reviews must be scheduled using the following requirements:

- Two of the three monitoring reviews required for each center must be unannounced; the third may be unannounced or announced at the Sponsor’s option*.

- All monitoring reviews must include observation of a meal service. Only one of the meal services may be a snack.

- At least one monitoring review must be conducted on a Saturday or Sunday if the center participates on the weekend.

*new requirement
If a center submits a block claim, the center must receive an unannounced monitoring review at the meal service for which the block claim was submitted. **Note: If more than one type of meal service is block claimed, the sponsor may select the meal type to be reviewed.**

The monitoring review must be conducted within 60 calendar days of identifying the block claim. If a complete monitoring review is conducted, the monitoring review can be counted toward the total reviews for that facility*.

If you are unable to complete all of these monitoring reviews within the required time frame, contact your Area Program Office (APO) to request an extension. The decision for an extension is determined on a case-by-case basis. The APO will take into account your available resources, workload, and other relevant factors, such as geography and weather.

**The following is a recommendation and not a requirement when monitoring meal service:** The number of breakfast, lunch, or supper monitoring reviews should be roughly the same percentage as the percentage of breakfast, lunch, or suppers claimed.

Example: If 20% of the meals claimed by the Center are suppers, then 20% of the Sponsor’s effort should be devoted to reviewing suppers.

* new requirement

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You may choose to average your monitoring reviews as a means to better utilize your resources by conducting only two unannounced monitoring reviews at your best centers, three monitoring reviews for the bulk of your centers, and four monitoring reviews at those centers that need closer oversight and technical assistance.

You are not required to obtain approval from Special Nutrition Programs (SNP) to implement monitoring review averaging. However, you are responsible for informing SNP of your intent to utilize the option and to provide a description of your implementation plan. There is a question on the new/renewal application to state your intention. If you decide to implement or stop averaging in a new/renewal or update year, you must submit Form H1548, Application and Management Plan Change to your APO.

Your plan must include the criteria you will use to implement and monitor review averaging for your organization. SNP will evaluate and approve your monitoring review averaging plan to ensure that all monitoring reviews will be conducted and performed according to program regulations. Regardless of your monitoring review schedule, SNP will review and monitor your operation for compliance to determine if you are conducting monitoring reviews as required.
Part II
Monitoring Review Averaging Option
continued

Monitoring Review Averaging Exceptions

SOs that average their monitoring reviews must include the above review requirements with the following exceptions:

1. A center that submits a block claim must receive a minimum of three monitoring reviews.

2. There can be no more than 9 months between monitoring reviews if a center is receiving two monitoring reviews.

3. The minimum number of monitoring reviews a center may receive is two.

4. A center that has a serious finding during the monitoring review year must receive at least three monitoring reviews.

Procedure

How to Establish Your Averaging Cycle

Step 1. Calculate the number of total monitoring reviews that must be conducted.

In order to implement the monitoring review averaging option successfully, your review cycle must correspond with the CACFP Program Year (PY) October 1 – September 30. If you have been conducting monitoring reviews on a schedule other than the CACFP PY (centers approved participation anniversary date, calendar year, etc.), your new monitoring review averaging cycle beginning date for all participating centers is October 1.

Number of participating centers as of Oct. 1 X 3 = Total of required monitoring reviews

Note: If you choose not to implement the monitoring review averaging option, you may continue with your current monitoring review schedule.

Step 2. Construct a profile to determine which centers need more or fewer monitoring reviews.

The following is a recommendation only. You may find this guidance helpful when you begin to establish your profiles. (See Attachment A.)

Centers that need only two monitoring reviews:

- Centers that have no findings on their last 2-3 monitoring reviews, and
- Centers that have participated for several years that have only minor findings on their last monitoring review.
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**Procedure**

**continued**

Centers that need three monitoring reviews:

- New centers that have previously participated with another Sponsor,
- Centers that have submitted a legitimate block claim,
- Centers that had findings on their last 2 monitoring reviews, and
- Centers that are doing well, but need additional technical assistance in a particular area.

Centers that need four monitoring reviews:

- New centers,
- Centers that submitted an unsubstantiated block claim,
- Centers that had serious findings on their last monitoring review,
- Centers that are having difficulties, and
- Centers that have a combination of the above.

**New or Deleted Centers**

Fluctuations due to adding and deleting centers with your organization will affect your monitoring review averaging plan. To help manage the total number of required monitoring reviews you must perform, a separate averaging plan may be beneficial for new participating centers added to your organization during the PY. New participating centers added during a PY will then be added to the total monitoring reviews for the following PY.

Example:

<table>
<thead>
<tr>
<th>Type of Facility</th>
<th>Center Beginning Participation Date</th>
<th>Minimum Number of Monitoring Reviews in PY</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADC</td>
<td>October 1-December 30</td>
<td>3</td>
</tr>
<tr>
<td>ADC</td>
<td>January 1-March 31</td>
<td>3</td>
</tr>
<tr>
<td>ADC</td>
<td>April 1-June 30</td>
<td>2</td>
</tr>
<tr>
<td>ADC</td>
<td>July 1-September 30</td>
<td>1</td>
</tr>
</tbody>
</table>

**Note:** If a new center begins participation on December 3, three monitoring visits must be conducted for the PY. If a new center begins participation on May 2, two monitoring visits are required.

**Step 3. Determine exactly how many centers will get two, three, or four monitoring reviews.**

In order to get to the total number of monitoring reviews required, you will need to have the same number of centers receiving two monitoring reviews as you have receiving four reviews.

continued
Example: If 300 monitoring reviews are required, your schedule might have:

- 10 centers receiving 2 monitoring reviews
- 80 centers receiving 3 monitoring reviews
- 10 centers receiving 4 monitoring reviews

**Step 4. Develop a plan to track monitoring reviews.**

Tracking monitoring reviews shows the timing of monitoring reviews for each center throughout the year, and identifies which monitoring reviews will be announced and unannounced. (See Attachment B.) By following the example in Attachment B, tracking monitoring reviews will allow you to keep a running tally by month and year-to-date of:

- The number of monitoring reviews conducted,
- The number of unannounced monitoring reviews conducted, and
- The number of announced monitoring reviews conducted.

**Step 5. Frontload Reviews**

Conducting a majority of your monitoring reviews, or “frontloading” early in the PY allows for more flexibility, if circumstances occur later in the year that force you to revise your monitoring review plan.

**Step 6. Revise Your Schedule**

SOs using monitoring review averaging will need to reassess their monitoring review plan periodically. The more centers you have the more times your schedule will need to be assessed. Anticipate changes such as:

- centers scheduled for two monitoring reviews submit block claims;
- the number of your participating centers changes due to new or dropped or temporarily inactive centers;
- monitor leaves position;
- bad weather prohibits the monitoring review; or
- the monitor has car problems and all monitoring reviews for the day cannot be conducted.

See Attachment C as an example of how circumstances can affect a Sponsor’s monitoring review schedule. Although this example is about Day Care Home sponsors, the concept also applies to center sponsors.

Averaging will work differently for each SO, depending on how the center profile is developed, the SO is structured, and other factors. If you decide to implement the monitoring review averaging option, remember it is a tool to use to focus more technical assistance and oversight on problematic and new centers.
Adverse Action

At the end of the PY, every participating center must have received their appropriate number of monitoring reviews. As part of your administrative review, SNP will review your averaging plan, how it is implemented, monitored, and if it is working. If averaging is abused, SNP can prohibit a SO’s use of monitoring review averaging, require pre-approval of any new monitoring review averaging plan, and/or declare the SO serious deficient.

Example of misuse of the monitoring review averaging option:

A SO has 300 centers, 200 are located nearby, and the remaining 100 are scattered throughout Texas. Monitors work from the Sponsor’s office; the farthest centers are monitored twice, while the nearby centers are monitored four times. SNP’s administrative review of the Sponsor determines that the Sponsor used convenience and cost, rather than longevity or performance to determine which centers needed the most or fewest monitoring reviews.

Authority

Child and Adult Care Food Program: Improving Management and Program Integrity Rules.

Contact

If you have any questions, please contact your Area Program Office.

ATTACHMENTS