Date: September 22, 2009

Reference: # CACFP ADC 2009-19

To: Child and Adult Care Food Program-Adult Day Care (CACFP ADC) Contractors

Subject: Changes in Advance Payments

Effective Date: Immediately

Purpose

REPLACE CACFP ADC Handbook Items:

- 2222, Advance Payments
- 3223, Determining the Amount of Advance Payment

TDA has changed the advance payment options a contractor has from Full (100%) and Partial (50%) to Full (100%), Partial (75%) and Half (50%), giving contractors who need less than 100% but more than 50% advances another option to better assist them in managing their CACFP reimbursement and minimizing the amount of advance overpayment in the CACFP which results in contractors owing money to TDA for unearned advances each month.

Implementation

Immediately

Procedure

Program Year (PY) 2010 is an update year for CACFP ADC. During an update year contractors are not asked their preference for advance payments and continue to receive or not receive advances based on their renewal application submitted for PY2009. Due to the change in advances for PY2010, contractors who want to request to change their advances to partial (75%) or begin receiving advances due to the new option should submit Form H1548, Application/Management Plan Change to their F&N FOO.

Replace CACFP ADC Handbook Item 2222 with the following:

If a contractor intends to request advance payments, the contractor should submit their application at least 60 days before the first day of the month in which the contractor plans to begin participating in the CACFP. A contractor may request full (100%), partial (75%) or half (50%) advance payments, or may decline to receive advance payments altogether. The election to receive advance payments is required at initial application and during renewal years. During the update process, we do not ask your preference for advances and you will continue to receive, or not receive, advance payments based on your initial or renewal application, or any changes that have been made to your participation using the Form H1548, Application/Management Plan Change. If there are any questions regarding advance payment status, contact your F&N FOO.

This Policy Remains in Effect Until Further Notice
Procedure continued

Contractors are urged to carefully consider their choice in receiving advances. TDA cautions contractors from choosing full (100%) advances as overestimating participation and fluctuations in participation could result in reimbursement being less than the amount of advances given and the contractor owing a debt for unearned advances each month. Should a contractor feel they need advances, TDA encourages contractors to consider the partial (75%) or half (50%) and to re-evaluate the need for advances monthly. Contractors may discontinue and continue advances at any time by submitting Form H1548, Application/Management Plan Change.

Advances are not issued for the months of September and October of each year.

Replace CACFP ADC Handbook Item 3223 with the following:

If a contractor has submitted a claim for reimbursement, FND will issue advance payment based on the most recently processed claim submitted by the contracting organization.

If a contractor has not submitted a claim for reimbursement, FND will issue advance payment based on the estimated reimbursement that the contractor would earn during the months for which the contractor has requested advance payment. Once the contractor has submitted a claim for reimbursement, FND will issue advance payment based on the most recently processed claim submitted by the contracting organization.

A contractor may choose to receive a full, partial or half advance payment for meal reimbursement.

A full advance is 100 percent of the estimated amount that the contractor would earn during the month for which the advance payment is issued. A partial advance is 75 percent of the estimated amount that the contractor would earn during the month for which the advance payment is issued. A half advance is 50 percent of that same amount. FND calculates the estimated reimbursement based the ratio of current year claims to prior year claims multiplied by the claim for the corresponding advance month for the previous year.

Contact

If you have any questions please contact your Food and Nutrition Field Operations Office.