POLICY ALERT

Date: November 10, 2011  
Reference: # CACFP ADC 2012-02

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

Subject: Waiver of 15% Limit for Allowable Administrative Costs

Effective Date: Immediately

APPLIES TO SPONSORING ORGANIZATIONS ONLY

Purpose

ADD CACFP ADC Handbook Item 4364.4, Waiver to Limitations on Administrative Reimbursement for Sponsoring Organizations

TDA is implementing a process for sponsoring organizations to request a waiver to the limitation allowing them to only withhold up to 15% of reimbursement for allowable administrative costs.

Implementation

Immediately

Procedure

Add the following to your CACFP ADC Handbook:

4364.4 Waiver to Limitations on Administrative Reimbursement for Sponsoring Organizations

Contracting entities that are sponsors may request approval to withhold a percentage of reimbursement that exceeds 15% for allowable administrative costs, if the sponsor:
• Has at least 12 consecutive months participation in the CACFP as a sponsor,
• Does not have an outstanding debt to the Texas Department of Agriculture (TDA),
• Is not currently in the serious deficiency process,
• Is in good standing with the Comptroller of Public Accounts

To request a waiver, the sponsor must:
• Complete the Contracting Entity Request for Waiver of 15% Limit for Allowable Administrative Costs form, as well as have the required documentation listed on the form to support the request available for review prior to approval of the waiver.
• Complete the Budget Justification and Disclosure – Centers form showing the change in the budget.
• Revise the Contracting Entity Budget Detail screen in TX-UNPS using the information from the Budget Justification and Disclosure – Centers form.
• Mark the Administrative Waiver Documentation Checklist item and indicate the date the waiver form was submitted, in TX-UNPS. Select the red “Submit for Approval” button to transmit your request.

continued

This Policy Remains in Effect Until Further Notice
Procedure continued

- Submit the completed *Contracting Entity Request for Waiver of 15% Limit for Allowable Administrative Costs* form to F&N.

If approved, the:

- Approval would be effective no earlier than two full months* from the approval date;
- Sponsor must obtain a signed *Acknowledgement By Sponsored Adult Day Care Facility and Permanent Agreement Between Sponsoring Organization and Adult Day Care Facility Amendment #1* from each currently participating unaffiliated site and each new unaffiliated site they sign an agreement with.

*For example, the sponsor’s request is approved November 20, 2011 the earliest they could begin withholding the higher amount would be February 2012. This gives the sponsor and sites time to execute the amendment, or the sites time to choose one of the other options given them on the amendment form.

A site that is currently participating with a sponsor at the time the sponsor receives an approved waiver has the following options:

- Execute the amendment and agree to allow the sponsor to retain more than 15%;
- Terminate its agreement with the sponsor and apply to participate directly with TDA;
- Request a “good cause” transfer from TDA to transfer to another sponsor during the current program year;
- Terminate its agreement with the sponsor and apply with another sponsor during the open enrollment period of June 1 through September 30.

A CE that has received an approved waiver must notify their current and potential sites of the approved waiver, and what it means to the site’s reimbursement amount, prior to signing an agreement and amendment with that site. Failure to do so could result in adverse action, up to placement in the Serious Deficiency Process and termination of the CE’s FND Permanent Agreement.

Contact

If you have any questions please contact your Community Operations office.