This Policy Alert is to inform Sponsors that the United States Department of Agriculture (USDA) has changed the CACFP application process. This change has affected the application cycle and the information required for continued participation. It replaces Sections 2228 and 4317 in the Day Care Homes (DCH) Handbook.

Currently Special Nutrition Programs (SNP) requires Sponsors to submit a full application every three years and a reapplication that requires less information in the intervening years. Beginning with program year (PY) 2006 sponsors will renew their initial application every three years and submit information to update their files annually at the beginning of each intervening PY. In renewal and update years, less information will be required to continue participation.

Renewal applications are required on a triennial basis (every three years). This means that Sponsors are approved to participate in the CACFP for three years. Annual reapplications are replaced by Program Year Annual Updates. The updates are not reapplications, but are intended only to update your Program file. USDA has streamlined the application process so that Sponsors will have more time to manage their programs and provide technical assistance to their Providers.

The following Application Cycle table illustrates when the renewal and update years are scheduled. Because Day Care Home Sponsors completed a full application in PY 2005, they will provide the information required for PY updates in PY 2006.

| Sponsoring Organizations of Day Care Homes | PY 2006 Update Year 1 | PY 2007 Update Year 2 | PY 2008 Renewal | PY 2009 Update Year 1 |

This Policy Remains in Effect Until Further Notice
Only information that is required by Program regulations and HHSC requirements for collection in the update process are included in the Program Year One Annual Update packet.

a. Sponsoring Organizations of Day Care Homes will use the new Form H1536-E, Program Year One, Annual Update for Day Care Home Sponsors.

b. Form H1536-E requires the submission of the budget, training certification, and if necessary, submittal of Form H1548, Application/Management Change Plan, requesting any changes you may have to your budget and/or management plan.

c. Additional elements included in an annual update will be identified prior to the program year and will be included in the update packet.

NOTE: Although various items have been deleted from the update, this does not mean you no longer have the responsibility to fulfill the requirements unless you are notified in a Policy Alert of Program changes.

To ensure your continued participation in the Program, you must submit a complete and correct Form H1536-E and other items required in the annual update packet to your SNP area office so they may be processed. Sponsors that do not submit a complete and correct packet may be placed in the serious deficiency process. Please refer to Policy Alert CACFP-DCH 2003-13 Serious Deficiency Process for Participating Contractors for detailed information on the serious deficiency process.

7CFR 226: Child and Adult Care Food Program: Improving Management and Program Integrity Interim rule.

If you have any questions please contact your Area Program Office after you have received your Program Year Annual Update.