Date: June 29, 2007
Reference: # CACFP DCH 2007-13
To: Child and Adult Care Food Program-Day Care Homes (CACFP-DCH) Sponsors
Subject: Program Management - Handbook Revisions
Effective Date: Immediately

Purpose

This Policy Alert REVISES the following sections in your CACFP-DCH handbook:

- 8132, Termination by Mutual Consent.

This Policy Alert REPLACES the following sections in your CACFP-DCH handbook:

- 2131.1, Potential Contractor Training;
- 2131.2, Annual Contractor Training;
- 2132, Provider Training;
- 2227.1, Universal Amendments;
- 2227.2, Contractor Specific Amendments;
- 8133, Termination for Cause;
- 8211, Actions Subject to Appeal by a Contractor; and
- 8212, Appeal Process.

This Policy Alert REPLACES Notice CACFP DCH 2005-5, Request for an Appeal Hearing.

Implementation

Immediately

Procedure

2131.1 Potential Contractor Training

Replace Section 2131.1 with the following:

A representative of your organization must complete CACFP Day Care Home Program Management Training for Potential Contractors before you receive a CACFP-DCH application package. The training includes an overview of key CACFP requirements and is held periodically throughout the program year. To locate Potential Contractor Program Management Training, go to the Special Nutrition Programs (SNP) website at www.snptexas.org. When your representative completes the training session, you will receive a training certificate. This certificate is only valid for one year from the date of the training that you complete. After you present a copy of the certificate to your Area Program Office (APO), we will send you a CACFP-DCH application.

continued

This Policy Remains in Effect Until Further Notice
Procedure continued

If your representative fails to complete the entire training session, you will not be allowed to apply to participate in the program. However, a representative of your organization may enroll in the next regularly scheduled CACFP Day Care Home Program Management Training for Potential Contractors.

<table>
<thead>
<tr>
<th>If …</th>
<th>Then …</th>
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<tbody>
<tr>
<td>You previously participated in the CACFP DCH, but withdrew for any reason.</td>
<td>A representative of your organization must complete a CACFP Day Care Homes Program Management Training session prior to resuming your participation in the CACFP DCH.</td>
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<tr>
<td>Your organization experienced a complete legal identity change (i.e., the organization is sold) and the principal staff changed.</td>
<td>A representative of the new organization must complete a CACFP Day Care Homes Program Management Training session prior to applying for participation in the CACFP DCH.</td>
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<tr>
<td>Your organization had a name change, but your Federal Employer’s Identification Number (FEIN), or other documentation establishing your legal identity remained the same, and the principal staff did not change.</td>
<td>Your organization would not be required to attend CACFP Day Care Homes Program Management Training again.</td>
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<tr>
<td>Your organization experienced a complete legal identity change (i.e., the organization is sold) and the principal staff did not change.</td>
<td>Your organization would not be required to attend CACFP Day Care Homes Program Management Training again, unless your APO determines that training would be helpful.</td>
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2131.2 Annual Contractor Training

Replace Section 2131.2 with the following:

After your CACFP-DCH application is approved, we may require that a representative of your organization attend one or more mandatory training sessions during each program year. You will receive notification of any mandatory training you will be required to attend. Refer to Section 4330, Training, for additional information related to annual training requirements.

2132 Staff Training

Replace Section 2132 with the following:

You must train each staff member before they assume any CACFP duty. Further, you must train each staff member during each program year thereafter.

continued
You must document your efforts to train staff and retain this documentation with your records. Refer to Section 4332, Staff Training, Policy Alert CACFP DCH 2006-6, *New Training Requirements for Sponsoring Organizations*, and Policy Alert CACFP DCH 2007-4, *Q & A Regarding Sponsor Oversight and Training*, for additional information.

**2227.1 Universal Amendments**

Replace Section 2227.1 with the following:

Universal amendments are modifications to the terms and conditions of the SNP Agreement that apply to all contractors operating under the SNP Agreement, including amendments that are specific to a particular program, regardless of whether a particular contractor has been approved to participate in that program. Universal amendments are initiated by HHSC.

**2227.2 Contractor Specific Amendments**

Replace Section 2227.2 with the following:

Contractor specific amendments are limited to:

- Adding participation in an SNP-administered program;
- Deleting participation in an SNP-administered program;
- Changing the name of the organization in which the FEIN remains the same under the existing SNP Agreement; or
- Changing the name of the organization in which other documentation establishing your legal identity remains the same under the existing SNP Agreement.

Whenever necessary, your APO will amend your SNP Agreement using an “amendment form” to indicate your current participating status and/or organization name. This form is identical to the last page of the SNP Agreement, with the exception that a place has been provided for your APO to enter the organization’s name (in the case of a name change) and an amendment number.

**Example (adding a program):** If a contractor is approved to participate in the National School Lunch Program/School Breakfast Program (NSLP/SBP) and is later approved to participate in the CACFP-DCH, the APO will complete an amendment form and send it to the contractor. The contractor will sign the form and return it to the APO. Upon receipt of the contractor’s signed amendment form, the APO will enter the effective date, sign the form and send a copy back to the contractor.
**Procedure continued**

**Example (deleting a program):** If a contractor is approved to participate in both the NSLP/SBP and the CACFP-DCH but decides to terminate their participation in the NSLP/SBP they must notify their APO. The APO will complete an amendment form and send it to the contractor. The contractor will sign the form and return it to the APO. Upon receipt of the contractor’s signed amendment, the APO will enter the effective date, sign the form and send a copy back to the contractor.

**Example (name change):** If a contractor notifies the APO that the name of their contracting organization has changed, but the FEIN, or other documentation establishing your legal identity has not, the APO will enter the new name of the contracting organization on an amendment form and send it to the contractor. The contractor will sign the form and return it to the APO. Upon receipt of the contractor’s signed amendment, the APO will enter the effective date, sign the form and send a copy back to the contractor.

Contractor Specific amendments can be initiated by either the APO or the sponsoring organization. Upon receipt of a contractor specific amendment, you must sign, date and return the amendment to your APO.

A Contractor Specific amendment initiated by a sponsor to add or delete a program can be withdrawn. The sponsor may decide not to participate in the program to be added, or continue participation in the program to be deleted. In the event that you decide to withdraw a Contractor Specific amendment, you must inform your APO in writing.

Failure to return a Contractor Specific amendment, or to notify your APO that you wish to withdraw the action, could result in termination of your SNP Agreement for cause. Reference Section 8133, Termination for Cause.

**8132 Termination by Mutual Consent**

Add the following addition to Section 8132:

Termination by mutual consent will also occur when the contractor’s FEIN, or other documentation establishing the organization’s legal identity has changed.

**8133 Termination for Cause**

Replace Section 8133 with the following:

Termination for cause can occur as a result of (but is not limited to):
**Procedure continued**

- Failure to take and maintain required corrective action(s).
- Denial of a renewal application or update.
- Failure to return an amended SNP Agreement as the result of a Contractor Specific amendment.
- Any other action affecting the contractor’s ability to administer the program in accordance with program requirements.

### 8211 Actions Subject to Appeal by a Contractor

Replace Section 8211 with the following:

A contractor has the right to appeal:

- Denial of a new, renewing or update application.
- Denial of a provider’s application.
- Notice of proposed termination and proposed disqualification.
- Termination of a contractor’s agreement (does not apply to termination by mutual consent).
- Suspension of participation (applies only in the case of imminent threat to health or safety).
- Denial of start-up or expansion funds.
- Denial of advances.
- Recovery of advances (demand from SNP for repayment of advances not covered by claims submitted or due to non-claiming for the month(s) of the advance(s)).
- Denial of a claim.
- SNP’s denial to submit the contractor’s request for a good cause exception to the United States Department of Agriculture (USDA) for consideration of payment.
- Overpayment demand.
- Other actions taken by the State agency which affect the contractor’s participation or claim for reimbursement.

A contractor **may not** appeal:

- USDA denial of a claim.
- Determination of serious deficiency.
- Disqualification and placement on the National Disqualified List.
- Termination of a participating organization’s SNP Agreement as a result of the Serious Deficiency Process, including termination of a participating organization’s SNP Agreement based on the disqualification of that organization by another State agency or USDA.
- Termination by mutual consent.

**continued**
8212 Appeal Process

Replace Section 8212 with the following:

You have the right to appeal HHSC adverse actions that affect your participation in the program or claims for reimbursement. Your request for an appeal must state the basis of the appeal of the adverse action and must include a copy of the adverse action letter. A request for an appeal must be submitted in writing and received by HHSC within 15 calendar days from the date you receive a notice of adverse action from HHSC. A request for an appeal must be mailed or faxed to:

Appeals Division, MC W-613
Health and Human Services Commission
P.O. Box 149030
Austin, TX 78714-9030
Fax (512) 231-5779

You may hand-deliver or submit your request for an appeal via overnight/special delivery service to the following street address:

8407 Wall Street, Suite 300
Austin, TX 78754

The phone number for contacting staff at the Appeals Division is (512) 231-5729.

Exception: If you wish to appeal an adverse action that we based on the findings of a federal audit, you must request a hearing by USDA and submit it in writing to:

Administrative Review Division
USDA – FNS, Rm. 523
3101 Park Center
Alexandria, Virginia 22031

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