Date: May 15, 2009  
Reference: # CACFP DCH 2009-15  
To: Child and Adult Care Food Program-Day Care Homes (CACFP DCH) Sponsors  
Subject: Provider Record Keeping Requirements  
Effective Date: Immediately  

Purpose

REPLACE CACFP DCH Handbook Item 4410, Retention Period

ADD CACFP DCH Handbook Item 4430.1, Provider Record Keeping Requirements

INFORM sponsors of the record keeping requirements for providers.

Background

Previously Food and Nutrition Division (FND) did not take action against a sponsor if the provider did not have records of enrollment, meal counts and attendance records at the provider’s home, so long as the sponsor maintained these records at their administrative office and had them available for review. Beginning immediately, providers must maintain these records at their home for review by FND. Sponsors may also maintain copies of these records at their administrative offices.

Implementation

Immediately

Procedure

Replace Item 4410 with the following:

You must keep the FND Agreement and all amendments to the FND Agreement for at least three years from the end of your final program year. You must retain all documents relating to your participation in the program, such as claims and supporting documents that are specific to a particular program year, for at least three years from the end of that program year. For example, all documents specific to the CACFP 2006 program year must be retained until September 30, 2009.

EXCEPTION: If audit findings, claims, or litigation have not been resolved, all forms and records must be retained beyond the required time period until all issues are resolved.

In addition, records relating to day care home providers, who have been placed on the National Disqualified List (NDL) by your organization, are considered to pertain to the entire period that the provider remains on the NDL. Those records must be retained for three years after the day care home provider has been removed from the NDL.

continued

This Policy Remains in Effect Until Further Notice
**Procedure continued**

Records relating to any serious deficiency for which you placed a provider into the serious deficiency process, that has been corrected before the day care home provider was disqualified, must be retained for three years from the date you accepted the corrective action and rescinded the serious deficiency. This will allow you to conduct one or more follow-up reviews to ensure that the serious deficiency has been fully and permanently corrected, and will provide the necessary back-up documentation for proposed termination should you discover that the corrective action was not permanently implemented.

Your providers must maintain records relating to the program as required in Item 4430.1, Provider Record Keeping Requirements, for three years from the end of their final program year. In order to minimize the burden of space and storage, providers may maintain and have on hand for immediate review all records that support their program activities for the current month and the previous twelve months of operations. The remaining two years of program records may be stored offsite; however, they must still be in control of the provider and accessible within a reasonable amount of time. If no offsite storage is used, the provider must retain three years of records at their home. Records can be kept in hard copy or electronic format, provided they are readily available to reviewers. Failure to maintain such records will be grounds for denial of reimbursement.

**Add the following to your DCH Handbook:**

4430.1 Provider Record Keeping Requirements

A provider must keep complete and accurate records of their program operation to include:

- Enrollment records for each child;
- Daily attendance records; and
- Daily record of the number of meals, by type, served to enrolled children (including names)

These records must be available for review and maintained as required by Item 4410, Retention Period.

**Adverse Action**

Program Year (PY) 2009: During the remainder of PY 2009 adverse action will not be taken against the provider or sponsor for providers who fail to maintain the records required in Item 4430.1 to allow provider’s the opportunity to correctly implement this requirement.

Program Year (PY) 2010 and ongoing:

**Sponsor requirements**

If during a monitoring review a provider does not have the required records the sponsor must require corrective action, including meal disallowances as necessary, and must initiate the serious deficiency process if needed.

continued
Adverse Action continued

TDA requirements

If during a provider site review as part of an administrative review TDA discovers that the provider is not keeping required records TDA will:

- Require meal disallowances and amended claims from the sponsor if it is determined that the sponsor does not have the required records at their administrative office;
- Require corrective action from the sponsor to ensure record keeping requirements are followed in the future; and
- Require the sponsor to obtain appropriate corrective action from the provider(s) in non-compliance, up to and including meal disallowances and placement in the serious deficiency process if needed.

Failure of a sponsor to ensure record keeping requirements are followed by provider’s may result in placement of the sponsor in the serious deficiency process.

Authority

USDA Memo CACFP 03-2009, Record Maintenance Requirements for Family Daycare Home Providers in Child and Adult Care Food Program.

Contact

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