

## **Non-ISD Sponsoring organizations operating on a school campus**

All Non-ISD sponsoring organizations wishing/planning on sponsoring a school campus/a site that is located on a school campus MUST provide a signed agreement from the appropriate District Office/District Official for each (of the) site(s) that the non-ISD sponsoring organization is submitting for approval. The agreement must confirm that the appropriate District Office/District Official has given permission for the non-ISD sponsoring organization to service the school campus/site that is located on a school campus (the agreement must include all of the school campuses/sites located on a school campus that the non-ISD sponsoring organization is submitting for approval), the program that the non-ISD sponsoring organization is allowed to operate on each of the school campus/site that is located on a school campus, and the effective date of the agreement. Please note that if the school district in question is providing the same services as proposed to be provided by the non-school entity there may be a conflict of interest and/or a possible non-compliance issue; school-districts will receive priority of service as decreed by program rules and regulations.

### **Per 2 CFR 200.465 Rental costs of Home office workspace**

A "less than-arm's length" lease is one under which one party to the lease agreement is able to control or substantially influence the actions of the other. Such leases include, but are not limited to those between:

- The rental of any property owned by any individuals or entities affiliated with the non-Federal entity, to include commercial or residential real estate, for purposes such as the home office workspace is unallowable.

### **Sponsors Must Maintain Full Control of All Sites**

Sponsors MUST maintain full control of all sites under their sponsorship for the duration of their program participation. Per 7 CFR 226.2, a Sponsoring organization means a public or nonprofit private organization that is ENTIRELY RESPONSIBLE for the administration of the food program in... (affiliated or unaffiliated sites). Noted below are 13 indicators applicable to a Sponsor that has full control (CE must answer "YES" to each question below to demonstrate that the CE has full control, i.e. responsibility):

Is the sponsor fully responsible for the operation of the program in the sites it sponsors?

Does the sponsor also accept final administrative and financial responsibility for the sites they sponsor?

Does the sponsor do direct monitoring of all of their sites?

Does the sponsor have a direct role in the oversight of their sites?

Is the CE overseeing all the names at each site to ensure that no individuals are on the NDL?

Is the sponsor obtaining and maintaining the government issued identification for the principals of their sponsored sites?

Is the sponsor reviewing all the menus of the sites under these other organizations as well as ensuring the meal production records at each site are being completed?

Is the sponsor providing all of the oversight functions listed below?

- Making pre-approval visits.
- Adding, submitting changes for and terminating sites.
- Ensuring sites maintain a current license/certification and enrollment document.
- Conducting training.
- Conducting reviews.
- Providing technical assistance.
- Disbursing payments to sites.
- Ensuring sites submitted for participation are not disqualified from participation in any Child Nutrition Program, as well as ensuring site staff in principal positions or performing CACFP functions are not disqualified.

Is the sponsor providing the initial and annual training for all staff, including the staff at each site?

Does the sponsor ensure that each of their sites operate a nonprofit food service?

Is the sponsor ensuring another entity (owner of multiple sites) is not also using the CACFP funds they received from the sponsor for administrative purposes?

Is the sponsor providing unaffiliated sites to each site written documentation that details the reimbursement the site is receiving that month?

Is the sponsor ensuring that its sites follow all federal and state procurement rules and regulations for all services or products they procure?

\* If a CE (who is a sponsor) appears to have a "less than full control" situation based on the information submitted via the TXUNPS application packet and/or supporting documentation, the application processor will ask the CE to answer the above noted questions and send back responses.

\* If, for any of the above questions, the CE answer "NO", then the CE has failed to prove it has full control and the site(s) may not be eligible to continue their participation in the CACFP under the CE's sponsorship.

## **Site/Provider Transfers**

Outside of the open enrollment period sponsors may not recruit nor enter into a Permanent Agreement Between Contracting Organization and Child Care Site (Child Care Center, At-Risk, Outside School Hours, Head-Start and School Campus sites)/Adult Day Care Center/Day Care Home Provider for the next program year with a site/provider that is currently participating or had participated with a sponsor in the CACFP in the current program year.

Sites/Providers that can document good cause for transferring from a sponsor may, with prior approval from F&N, enter into a Permanent Agreement Between Contracting Organization and Child Care Site/Adult Day Care Center/Day Care Home Provider at any time during the program year.

If a site/provider wants to transfer to another sponsor, the site/provider must:

Request in writing, and receive prior approval for the transfer from F&N.

Demonstrate good cause for the transfer request.

Submit a letter to its current sponsor stating the intention to terminate their agreement and the effective date of termination.

"Good cause" for transferring from the sponsorship of one sponsor to another during the program year is limited to the following conditions:

A sponsor denies a site/provider access to the program.

A sponsor reduces the level of benefit a site/provider receives under the program, for example, a sponsor:

Will not allow site/provider to claim suppers or weekend meals because the sponsor does not want to monitor those meals services.

Child Care Site Sponsor requests and receives approval to withhold more than 15% of the meal reimbursement annually for allowable administrative costs thereby reducing the reimbursement received by the site.

Any other good cause as determined by TDA.

It is the site/provider's responsibility to demonstrate that such conditions exist.

**EXAMPLE:** A site moved to an area where the current sponsor does not provide service. When approving a transfer based on good cause, TDA will specify the earliest dates on which a new Permanent Agreement Between Contracting Organization and Child Care Site may be signed or become effective. Transfers may be approved any time throughout the program year when there is good cause. The approval granted by TDA to transfer is only effective one time. A site may not use the same transfer letter to transfer between multiple sponsors. Sponsors must submit the approval to transfer letter with all other required documentation when adding a site.