This Notice is to remind you of the requirements for your organization’s governing body/board. CACFP Day Care Homes Handbook, Section 2151, IRS-Based Performance Standards and Accountability, states:

- the majority (i.e., 50 percent plus one) of your governing body must be composed of members of the community who are not related parties or financially interested (i.e., not employees of the organization or a sponsored provider) in your organization's activities;
- members of your governing body may not vote on decisions associated with their own compensation or that of a related party;
- decisions about compensation of employees and other parties providing services to the organization must be made by your governing body;
- no person receiving compensation for services under CACFP may receive compensation for services from any other sponsoring organization; and
- sponsoring organizations must accept any qualified provider, consistent with their capacity to provide services.

Note: Related parties are individuals related within the second degree by consanguinity or third degree by affinity to any member of the governing body or an employee of the sponsoring organization.

Example: If a governing body consists of six members, four or more must be members of the community who are neither employees of the organization, sponsored providers, nor related to any other member of the governing body or employee of the organization.

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