

# Section 2000 Eligibility and Application Requirements

## Log of Section Updates

This table will reflect updates to the handbook implemented during the current Program Year. All substantive updates made since the last release will be highlighted in yellow within this section.

| <b>Edit Date</b> | <b>Content/Purpose</b>  | <b>Subsection(s)</b>     |
|------------------|---|--------------------------|
| March 2026       | Added new policy that beginning Program Year 2027, all unaffiliated sites must be administered by the business or organization affiliated with the location of service. An organization not affiliated with the location of enrichment and food service can no longer sign a Permanent Agreement with a sponsor.  | 2000, 2541, 2544, 2611.5 |
|                  | Added that sponsors must verify that staff, contractors, and affiliates are not listed on the National Disqualified List (NDL) or the Texas Excluded SFSP List (TEXSL) prior to program involvement.  | 2100                     |
|                  | Clarified that the financial viability of new and existing organizations is dependent on having access to a steady source of funds from outside the nutrition programs administered by TDA and that loans and/or lines of credit used to support the organization are not assets and will be considered liabilities.<br><br>If TDA issues a fiscal action against an organization, and the organization does not have a steady source of non-Program funds to repay the debt, the organization will be placed in the Serious Deficiency (SD) process, and repaying the debt in full within 90 days and establishing a steady source of non-Program revenue will be required elements of acceptable corrective action. | 2221.1                   |
|                  | Added policy about failure to operate other Child Nutrition Programs will indicate lack of Program capability and will lead to denial of a new or renewal application.  | 2221.3                   |

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|  | Updated guidance on amending and submitting budget updates.   | 2230         |
|  | Moved guidance related to cash-in-lieu and TEFAP dual participation from Section 3000 to Section 2000.  | 2272         |
|  | All highlighted content related to advance payments (2273 and its subsections) moved to Section 2000 from Section 3000. The content has been rewritten slightly for clarity.  | 2273         |
|  | All highlighted content related to start-up and expansion funds for day care home sponsors (2274 and its subsections) moved to Section 2000 from Section 3000. The content has been rewritten slightly for clarity.   | 2274         |
|  | Added that a performance bond is not a substitute for demonstrative successful program operations, which will be determined by TDA review within the first 12 months of operation.  | 2275         |
|  | Added new guidance related to timelines for new and renewal application approval.   | 2300         |
|  | Clarified that a renewal of an organization currently in the serious deficiency process is only temporary to allow valid submission of claims. After the SD process concludes, the organization's Agreement will be terminated. If the organization was not disqualified as part of the SD process, it will have the opportunity to apply again as a new organization.  | 2410         |
|  | Clarified that an unaffiliated organization signing the Permanent Agreement with a sponsor to operate an At-risk site must be responsible for the child care aspect occurring onsite and for the provision/procurement of enrichment activities. The sponsor must provide a detailed description of the comprehensive At-risk program occurring at each site at the time of application. Also noted that enrichment must be procured with non-federal funds unless the enrichment directly benefits the food service program. | 2541, 2544   |
|  | Clarified that a sponsor operating an <b>affiliated</b> site at a location with which it is not legally affiliated is responsible either for providing/procuring the enrichment directly or securing a Memorandum of Understanding (MOU) from the business or location at the site that clearly lists that organization's responsibility to provide a compliant enrichment program and the nature of that enrichment program.   | 2544, 2611.3 |

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|          | Information about adding, modifying, and deleting sites and the process for submitting a site application was moved from Section 4000. This content is <b>not</b> highlighted in the document to allow for important changes noted below to be conspicuously highlighted.  | 2600           |
|          | Added policy that new sponsors cannot add new unaffiliated sites or expand the scope of service at initially approved sites within the first 12 months of operation, and only after their first TDA review indicates no serious management problems. Additionally, sponsors cannot add affiliated sites, or expand scope of service at initially approved sites, at locations with which they are not legally affiliated within the first 12 months of operation.  | 2611           |
|          | Added at the time of application, sponsors of unaffiliated At-risk sites must provide to TDA a copy of the Permanent Agreement between the sponsor and organization providing/procuring the afterschool enrichment, child care, and food at the site.<br><br>For affiliated sites operating At-risk programs at locations not legally affiliated with the sponsor, a Memorandum of Understanding (MOU) between the sponsor and the location of service must be provided to TDA at time of application. An affiliated site under this arrangement will not be approved to operate prior to the date specified in the MOU. | 2611.3, 2611.4 |
|          | Added that for each site operating a pricing program, pricing policies must be provided to TDA at the time of application. Also defined what a pricing program is and added a reference to Section 4100 for more information.  | 2611.3         |
|          | Added information previously in Section 4000 about the first available date to claim meals and updated the content for clarity.  | 2611.4         |
|          | Added circumstances under which a contracting organization will not be considered for early removal from the NDS or the TEXESL lists.  | 2710           |
|          | Moved State Government Privacy Policy from Section 4000 to Section 2000.   | 2733           |
| May 2025 | Consolidated content from all four current CACFP Handbooks (Child Care Center, Day Care Homes, Adult Day Care, and At-risk). This section is now identical in all four handbooks. Once consolidation of all sections is complete, TDA will release a new version of a single CACFP Handbook.   |                |
|          | This section was rewritten and reorganized for clarity.  |                |
|          | Added more clarity to the definitions of affiliated and unaffiliated sites.  |                |

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| Added participant eligibility requirements for all site types.   |  |
| Updated broken link to HHSC’s licensed child care search page.   |  |
| Clarified eligibility of for-profit At-risk sites.   |  |
| Added a reference to the School Data for Area Eligibility report on SquareMeals.   |  |
| Added more details about eligibility of At-risk sites operating at other facilities that might already be operating a different component of CACFP or other Child Nutrition Program. |  |
| Provided clarification on eligible At-risk enrichment programs.  |  |
| Added examples of sites that would not be eligible to operate as an emergency shelter.   |  |
| Updated initial application steps for new CEs.   |  |
| Added that new CE applicants must provide at least 12 months of bank statements to show proof of financial viability.  |  |
| Defined examples of what budget changes would require an amendment approved by TDA.  |  |
| Added clarification about multi-year contracts requiring Specific Prior Written Approval (SPWA)  |  |
| Added guidance about entities doing business with the federal government requiring a Unique Entity Identifier (UEI) number (replaces guidance requiring a DUNS number).              |  |

# Table of Contents

|  |           |
|--|-----------|
| <b>Log of Section Updates.....</b>   | <b>1</b>  |
| <b>2100 Contracting Entity Eligibility .....</b>   | <b>9</b>  |
| <b>2200 Contracting Entity Application Process and Requirements .....</b>                    | <b>11</b> |
| 2210 Getting Started .....   | 11        |
| 2211 New Contracting Entities .....  | 12        |
| 2220 Management Plan .....   | 12        |
| 2221 Performance Standards – Viability, Capability, Accountability (VCA) .....               | 13        |
| 2221.1 Financial Viability and Financial Management.....                                     | 14        |
| 2221.2 Administrative Capability .....   | 15        |
| 2221.3 Program Accountability .....  | 16        |
| 2222 Governing Body Awareness.....   | 17        |
| 2223 Publicly Funded Programs .....  | 18        |
| 2230 Budget .....  | 18        |
| 2231 Costs Requiring Specific Prior Written Approval (SPWA) .....                            | 20        |
| 2232 Estimated Carryover of Administrative Reimbursement (Day Care Home Sponsors Only) ..... | 20        |
| 2233 Budget Guidance .....   | 21        |
| 2240 Unique Entity Identifier Number.....  | 22        |
| 2250 Business Office Documentation and Requirements .....                                    | 22        |
| 2260 Pre-Award Civil Rights Compliance Review .....  | 22        |
| 2270 Financial Requirements and Requests.....  | 22        |
| 2271 Audit Compliance .....  | 22        |
| 2272 Cash-in-lieu of USDA Foods .....  | 23        |
| 2273 Advance Payments.....   | 23        |
| 2273.1 Determining the Amount of an Advance .....  | 24        |
| 2273.2 Requesting Advances .....   | 24        |
| 2273.3 Repayment Process.....  | 24        |
| 2273.4 Discontinuing Advances .....  | 24        |
| 2274 Start-Up and Expansion Funds for Day Care Home Sponsors ...                             | 25        |
| 2274.1 Start-Up Funds .....  | 25        |
| 2274.2 Expansion Funds .....   | 26        |
| 2274.3 Applying for Start-Up or Expansion Funds .....  | 26        |
| 2275 Performance Bond.....   | 27        |
| 2275.1 Amount of a Performance Bond .....  | 28        |
| 2275.2 Increasing or Decreasing Bond Amount.....   | 28        |

|  |   |   |           |
|--|---|---|-----------|
|  | 2275.3  | Relief from Bonding Requirement .....                       | 29        |
|  | 2275.4  | Cost of Obtaining a Performance Bond .....                  | 29        |
| 2280   |   | Required Training .....                                     | 29        |
| 2290   |   | Amendments .....  | 30        |
|  | 2291  | Universal Amendments .....                                  | 31        |
|  | 2292  | Contracting Entity-Specific Amendments .....                | 31        |
|  | 2293  | Application or Management Plan Changes .....                | 31        |
| <b>2300 Timeline for Application Approval.....</b> |   |   | <b>32</b> |
| 2310   |   | Visit Prior to Approval.....                                | 33        |
| <b>2400</b>  | <b>Contracting Entity Application Renewal.....</b>            |   | <b>33</b> |
|  | <b>2410</b>   | <b>Compliance Issues at Time of Renewal.....</b>            | <b>33</b> |
| <b>2500</b>  | <b>Site/Provider Eligibility and Application Process.....</b> |   | <b>34</b> |
| 2510   |   | Licensing and Registration.....                             | 34        |
|  | 2511  | Documentation Requirements .....                            | 34        |
|  | 2512  | Change in License Status.....                               | 35        |
|  | 2513  | Alternate HHSC Documentation.....                           | 35        |
|  | 2514  | Exemptions to HHSC Licensing Requirements .....             | 36        |
|  | 2515  | Operational Changes, Including Operation Times.....         | 36        |
|  | 2516  | Day Care Home Provider Location Changes .....               | 37        |
|  | 2517  | Violation Reporting .....                                   | 37        |
| 2520   |   | Tax Exempt Status.....                                      | 38        |
|  | 2521  | Exceptions for Tax-Exempt Requirements .....                | 38        |
| 2530   |   | For-profit Sites .....                                      | 38        |
| 2540   |   | At-Risk Site Provisions.....                                | 39        |
|  | 2541  | Additional Eligibility Requirements.....                    | 39        |
|  | 2542  | Area Eligibility Requirements for At-risk Sites.....        | 40        |
|  |   | 2542.1 Data Used for Determining Area Eligibility .....     | 40        |
|  |   | 2542.2 Busing and School Choice.....                        | 40        |
|  | 2543  | At-risk Programs at Other Facilities .....                  | 41        |
|  |   | 2543.1 At-Risk at Traditional Child Care Centers .....      | 41        |
|  |   | 2543.2 At-Risk at Emergency Shelters .....                  | 41        |
|  |   | 2543.3 At-Risk at Residential Child Care Institutions ..... | 42        |
|  | 2544  | Organized At-risk Enrichment Activities Guidelines.....     | 42        |
| 2550   |   | Outside-School-Hours Care Center (OSHCC) Provisions.....    | 43        |
| 2560   |   | Adult Day Care Center Provisions.....                       | 43        |
| 2570   |   | Emergency Shelter Provisions .....                          | 44        |
| 2580   |   | Day Care Home Provider Provisions.....                      | 44        |

|             |   |           |
|-------------|---|-----------|
| <b>2600</b> | <b>Site/Provider Application Process.....</b>           | <b>45</b> |
| 2610        | Adding, Updating, and Terminating Sites/Providers ..... | 45        |
| 2611        | Adding Sites/Providers .....                            | 46        |
| 2611.1      | Pre-Approval Visit .....                                | 47        |
| 2611.2      | Agreement Between Sponsor and Site/Provider .....       | 47        |
| 2611.3      | Required Documentation .....                            | 48        |
| 2611.4      | Claiming Start Date.....                                | 50        |
| 2611.5      | Denials .....   | 50        |
| 2612        | Making Changes to Sites/Providers .....                 | 51        |
| 2613        | Terminating Sites/Providers .....                       | 51        |
| 2614        | Resuming Site/Provider Participation .....              | 52        |
| 2615        | Open Enrollment.....                                    | 52        |
| 2616        | Transfer Requests.....                                  | 53        |
| 2617        | Site/Provider Appeal Procedures.....                    | 54        |
| <b>2700</b> | <b>Ineligibility and Disqualification.....</b>          | <b>54</b> |
| 2710        | Disqualification .....                                  | 54        |
| 2720        | Background Checks .....                                 | 55        |
| 2730        | Required Identification .....                           | 56        |
| 2731        | Acceptable Government-Issued IDs.....                   | 56        |
| 2732        | Acceptable Proofs of Residence.....                     | 56        |
| 2733        | State Government Privacy Policy .....                   | 56        |

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## 2000

# Eligibility and Application Requirements

*Contracting entities* (CEs) are organizations that contract directly with the Texas Department of Agriculture (TDA) to administer the Child and Adult Care Food Program (CACFP). CEs may operate CACFP as:

- An independent child care center, At-risk site, adult day care center, outside-school-hours care center, or emergency shelter.
- A *sponsor* of those same center types (sites) listed in the previous bullet. Sponsored sites may be:
  - **Affiliated:** Part of the same legal entity as the sponsor CE. Sites operating at a legally unaffiliated location but where the sponsor has complete operational and financial control of all facets of the program (affiliated management staff present onsite at each food service, food procurement, etc.) may be considered affiliated if the appropriate agreements between the sponsor and the location are in place (see *Required Documentation* below for more information).
  - **Unaffiliated:** Legally distinct from the sponsor CE. Unaffiliated sites operate at a location legally unaffiliated with the sponsor **and** rely on staff associated with that location to operate the program.

**Effective Program Year 2027: Organizations operating an unaffiliated site must be legally affiliated with the organization or business operating at the location of service. For example, a community center may operate an unaffiliated At-risk site under a sponsor, but a private non-profit legally unaffiliated with the community center is not eligible to operate an unaffiliated site at the community center.**

- A *sponsor* of day care homes (providers). Note that providers can only operate CACFP under the sponsorship of a CE.

Organizations contracting with TDA to administer the program can be School Food Authorities (SFAs), non-profit organizations, Head Start programs, and governmental entities. For-profit independent centers may participate if they meet the for-profit eligibility requirements described in this section. A for-profit sponsoring organization can only participate if it sponsors only affiliated sites.

### 2100 Contracting Entity Eligibility

To participate in CACFP, all CEs must meet the following eligibility requirements:

- **Tax-Exempt Status:** Except for for-profit organizations that meet specific eligibility requirements, applying CEs must be public or have tax-exempt status under the Internal Revenue Code of 1986.
- **Recordkeeping:** CEs must maintain all required records and documents.
- **Administrative and Financial Responsibility:** CEs must accept full administrative and financial responsibility for Program operations at their sites/providers. CEs may not contract out CACFP management responsibilities (See Section 3000 of the CACFP Handbook for subcontracting information).

- **Staffing:** CEs must provide adequate personnel to manage and monitor operations.
- **Training:** CEs must complete all required TDA training.
- **Nonprofit Food Service:** CEs, must operate a nonprofit food service (See Section 7000 of the CACFP Handbook for more information on operating a nonprofit food service account).
- **Complete Application Process:** CEs must submit a complete application with all required documentation and after approval, sign a Permanent Agreement with TDA prior to Program operations.

In addition to meeting the general requirements above, **CEs that are sponsors of sites/providers** must also:

1. Ensure all sponsored sites/providers meet applicable eligibility requirements outlined in this section.
  - This includes verifying staff, contractors, and affiliates are not listed on the National Disqualified List (NDL) or the Texas Excluded SFSP List (TEXSL) prior to program involvement. Contracts, reimbursements, and program benefits cannot be issued to any disqualified parties (see *Disqualification* below).
2. If adding sites/providers outside the open enrollment period, ensure the site/provider is not already under the sponsorship of another CE.<sup>1</sup>
3. Provide sufficient supervisory and operational staff, including monitoring staff, for the effective management and monitoring of the CACFP at all sponsored sites/providers.
4. Restrict employees from securing additional employment interfering with their CACFP responsibilities and duties (i.e., scheduling or conflict-of-interests).
5. Ensure all site/provider staff receive required training.
6. **For day care home sponsors:** Ensure all sponsored homes provide organized, nonresidential child care.
7. **New sponsors or reapplicants after break in service<sup>2</sup>:** Demonstrate unmet need.

#### **Unmet Need**

New sponsors or those reapplying after a break in service must document that they will provide meal benefits to previously unserved sites/providers.

**To demonstrate unmet need**, the organization must apply to sponsor only sites/providers that have not participated in the CACFP within the past 12 months (from the application submission date). Sponsors must certify this information in their application.

Once approved to participate, sponsors may continue to add sites/providers regardless of their past CACFP participation; **however, prior to open enrollment**, they cannot recruit nor enter into a Permanent Agreement with sites/providers that are currently participating or had

<sup>1</sup> Sites/providers may only switch sponsors, without prior approval from TDA, during the open enrollment period each program year. See *Open Enrollment* later in this section for more information on the Open Enrollment process.

<sup>2</sup> A **break in service** means any period when an organization does not have a signed and approved Food and Nutrition Division (FND) permanent agreement. This agreement may have been terminated for cause or by mutual consent.

participated with a different sponsor in the CACFP in the current program year unless the site can document good cause for transferring. See *Open Enrollment* below for more information.

**NOTE:** SFAs currently participating in the National School Lunch Program (NSLP) and/or the School Breakfast Program (SBP), and current Summer Food Service Program (SFSP) sponsors that are in good standing with TDA (neither in the serious deficiency process for SFSP nor owing debt to TDA) are not required to demonstrate unmet need when applying to CACFP as a sponsor.

## 2200 Contracting Entity Application Process and Requirements

New applicants to CACFP must apply before the October 1 – September 30 Program year in which they plan to begin. Current participants must submit an annual renewal application each year; renewal applications open July 1 in TDA’s application system and must be completed by September 30. Refer to *Timelines for Application Processing* below for more information.

**NOTE:** Previous participants must complete a new application if they previously withdrew or terminated participation at any time.

ESC and TDA staff can support CEs in completing their CACFP applications. For questions not addressed in this handbook or for clarification, CEs should contact their ESC or TDA.

### 2210 Getting Started

The following resources will help guide prospective CEs as they prepare their application in accordance with this section:

- **CACFP Handbook:** Use sections as a guide for the application process and for writing required management plan procedures. Example Sections:
  - Sections 4100-4500 explain day-to-day Program operation, meal service, monitoring, counting/claiming, and participant eligibility requirements.
  - Section 7000 explains requirements for using, managing, and documenting Program funds.
- **Application support on SquareMeals.org**
  - Potential CEs can visit the New Applicants page.<sup>3</sup>
  - Current CEs can visit the Renewing CEs page for continuing or discontinuing participation in the next Program Year.<sup>4</sup>
- **Technical assistance:** TDA and the Education Service Centers (ESCs) can answer questions and assist throughout the application process. Contact TDA at:
  - 877-TEX MEAL (877-839-6325), or
  - [CACFP.BOPS@TexasAgriculture.gov](mailto:CACFP.BOPS@TexasAgriculture.gov)

**NOTE:** CEs may not contract responsibility for the preparation of application materials, including *Budget Details* and *Management Plans* (see Contracting Out Program Activities in

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<sup>3</sup> <https://squaremeals.org/Programs/Child-and-Adult-Care-Food-Program/New-Applicants>

<sup>4</sup> <https://squaremeals.org/Programs/Child-and-Adult-Care-Food-Program/Renewing-CEs>

Section 3000 of the CACFP Handbook). If TDA determines that an Authorized User for the CE did not complete the application, the application will be denied.

## **2211 New Contracting Entities**

To begin the CACFP application process:

1. Visit the New Applicants page on Squaremeals (CACFP → New Applicants) <https://squaremeals.org/Programs/Child-and-Adult-Care-Food-Program/New-Applicants>
2. Complete the intake form linked under the section header titled “Before You Apply” (<https://app.smartsheet.com/b/publish?EQBCT=3cf1fc67dd8a4a229125734fc9195e05>) to provide TDA with information about your organization.
3. TDA will conduct the pre-eligibility check and provide a link via email to initiate the financial viability review process. **NOTE:** SFAs and organizations eligible for a streamlined review may not be required to complete the financial viability review.  
  
During this step, the organization must also take the training provided by TDA and upload documentation demonstrating completion.
4. Upon completion of the financial viability review, the organization will be provided a form to request access to the online Application system to complete the remainder of the review.
5. Complete all required entries and submit required items listed in the “Checklist” menu.

A CE operating multiple Program components (e.g., day care homes, child care centers, and adult care centers) must submit separate applications for centers and providers but will operate under a single agreement covering all administered programs.

Details about each of the steps above, as well as timelines for submission, are covered in the following sections.

## **2220 Management Plan**

All potential CEs must submit a management plan as part of the application process. The management plan details the organization’s administrative structure, including:

- **Organizational Chart:** Names and functions of all officers, agents, consultants, volunteers, and employees.
- **Program Staffing:** Staff assigned to Program management and monitoring.

The plan also provides TDA with information to assess management’s ability to meet the regulatory performance standards required to effectively administer the program, and if applicable, operate the food service program in accordance with regulations.

TDA uses the management plan to determine how many sites/providers an organization can effectively sponsor. Factors that may affect this decision include:

- An organization’s status as a new sponsor.
- The management plan’s demonstration of limited sponsorship capacity.
- Program operation history suggesting limited management capability.

If TDA limits the number of sites/providers an organization may sponsor, any increase must receive written TDA approval before the organization can sponsor additional sites/providers.

**2221 Performance Standards – Viability, Capability, Accountability (VCA)**

New and renewing CEs must demonstrate in their management plan that they meet the following performance standards for viability, capability, and accountability, also known as VCA:

| Financial Viability and Financial Management (V)                            | Administrative Capability (C)  | Program Accountability (A)  |
|---|--|---|
| The CE has the <b>financial resources</b> to meet all Program requirements. | The CE has the <b>staffing and expertise</b> to meet all Program requirements. | The CE has <b>internal controls</b> in place to ensure the proper expenditure of Program funds for operations and administration. |

Written procedures for each process in the management plan must be provided and must demonstrate that the organization will be capable of operating the Program. CEs unable to demonstrate VCA requirements will not be approved. If an application is denied, CEs have the right to appeal the decision. See Section 8000, *Denials, Terminations, and Appeals* for more information.

**EXCEPTION:** School Food Authorities (SFAs) currently participating in the NSLP/SBP, and current SFSP sponsors that are in good standing with TDA (neither in the serious deficiency process for SFSP nor owing debt to TDA) may not be required to demonstrate VCA when applying as a CACFP sponsor.

When providing procedures and processes to document VCA, CEs must include:

- **Who:** The person/position responsible for performing the task(s) and a backup staff member.
- **What:** A detailed description of the task necessary to fulfill the Program requirement.
- **When:** The frequency of the task (i.e., daily, weekly, monthly).
- **How:** A detailed description of how the task will be completed.
- **Where:** The location of the written procedures and processes to ensure each position responsible for Program tasks has access.

## 2221.1 Financial Viability and Financial Management

To demonstrate financial viability and financial management, an organization must document that it has adequate financial resources to operate the Program daily and adequate sources of funds to continue to pay employees and suppliers during temporary interruptions in Program payments and/or to pay debts when fiscal claims have been assessed against it. Only funds from sources outside the nutrition programs administered by TDA will be considered to determine if the organization has adequate financial resources.

An independent center may document this by providing:

- A current balance sheet and income statement (profit and loss). Organizations must demonstrate that current assets exceed current liabilities or that cash on hand is sufficient to pay for current costs. Current costs include short-term debts as well as regular operating expenses; **and/or**
- A recent (within the last year) audit that meets the single audit requirements or TDA's for-profit audit requirements; **and/or**
- An audited financial statement.

Sponsoring organizations may document this by providing:

- Three years of comprehensive financial statements that include a balance sheet, income statement, statement of owner's equity, and statement of cash flows. Organizations with less than three years of financial history must submit comprehensive financial statements for the amount of time for which they have a financial history (for example, an organization that formed 18 months before applying for the CACFP must submit comprehensive financial statements for that entire 18 months); **or**
- Three years of audits that meet the single audit requirements or TDA's for-profit audit requirements.

**NOTE:** At a minimum, new applicants must provide at least 12 months of bank statements demonstrating operational activities. For example, the bank statements must illustrate business income and expenses on a monthly basis. Please note that loans and/or lines of credit used to support the organization are not assets and will be considered liabilities.

Organizations must maintain this source of non-Program funds while operating CACFP under a Permanent Agreement with TDA. If TDA issues a fiscal action against an organization, and the organization does not have a reliable source of non-Program funds to repay the debt, the organization will be placed in the Serious Deficiency (SD) process. Repaying the debt in full within 90 days and establishing a steady source of non-Program revenue will be required elements of acceptable corrective action. Refer to Section 10000, *Serious Deficiency*, for more information on the SD process.

CEs must demonstrate that budget costs funded from Program reimbursement are necessary, reasonable, and allowable. See *Budget* below for more information. Funds must be spent and accounted for in accordance with Program regulations and instructions. If TDA has conducted an administrative review, improper use and/or inadequate documentation of Program funds will inform financial viability determinations.

**NOTE:** TDA may request other documentation to evaluate financial viability.

## 2221.2 Administrative Capability

To demonstrate administrative capability, the CE must document appropriate and effective management practices necessary to meet Program requirements.

The CE's submitted management plan must demonstrate the following:

1. The CE must have an adequate number and type of qualified staff. The CE must document the required qualifications for staff designated to:
  - a. Direct and manage the Program
  - b. Train staff and sites/providers
  - c. Determine participant/provider eligibility
  - d. (For day care home sponsors):
    - o Identify Tier I day care home providers; and
    - o Notify Tier II day care home providers of reimbursement options.<sup>5</sup>
  - e. Manage financials
  - f. Ensure compliance of meal counts, menus, and attendance records
  - g. Purchase (i.e., through procurement)
  - h. Maintain administrative and operational records
  - i. Enforce civil rights requirements
  - j. Prepare and submit claims
  - k. Monitor food service management company/vendor (if applicable).
  - l. If applicable, conduct the following sponsor administrative activities:
    - o Reimburse sites/providers
    - o Recruit sites/providers
    - o Monitor sites/providers
    - o Collect information (for example, meal counts) from sites/providers
  - m. For independent centers, conduct the following operational activities:
    - o Plan menus
    - o Prepare meals
    - o Document meal production records
    - o Serve meals
    - o Take meal counts

CEs must ensure that the staff's actual qualifications align with those required at the time of hire. These qualifications must prove the capability of staff to perform job functions in ways that maintain Program compliance and integrity.

**EXAMPLE:** The person designated to direct and manage the Program might be the director. The director may have been required to have the following qualifications: a Bachelor's degree in childhood education and a business management minor or coursework;

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<sup>5</sup> Refer to Section 4200, *Day Care Home Eligibility and Enrollment* for more information on day care home tiering classification.

seven years of experience, including teaching; excellent verbal and written communication skills; and highly effective organizational, time-management, and multi-tasking skills.

2. Sponsors must have adequate monitoring staff to ensure site/provider Program compliance with regulations.
  - a. CEs must submit written personnel policies and procedures for monitoring.
  - b. Sponsors with large operations must complete item C. Administrative Capability #4 *Sponsoring Organization Monitoring Staff Information* in the Management Plan section of the online application.
    - Large operations are defined by:
      - 1) **Centers:** 25 or more sites
      - 2) **Day care home sponsors:** 50 or more providers
    - This method establishes the **minimum** number of monitoring staff that CEs need. If TDA determines that monitoring staff is insufficient at any time, it will require the CE to increase monitoring staff or decrease the number of sponsored sites/providers.
    - **NOTE:** Sponsors initially applying with fewer sites must amend their management plan and complete the above section if their sponsorship increases to the thresholds listed above.
3. Sponsors must submit written policies and procedures for:
  - a. Assigning CACFP responsibilities and duties; and
  - b. Ensuring compliance with civil rights requirements.

### **2221.3 Program Accountability**

To demonstrate program accountability, the CE must:

- Ensure Program funds are spent to serve compliant meals and/or snacks.
- Ensure meal service quality and Program compliance.

CEs must submit written procedures with their management plan demonstrating:

- Adequate Program oversight by an independent governing board of directors.
  - See *Governing Body Awareness* below for guidance.
  - See Section 9000 *Terms, Definitions, and Acronyms*, for the definition of independent governing board of directors.
- A financial system with management controls, specified in writing, that ensure accurate tracking of the following:
  - All Program funds and property received, held, and disbursed;
  - All Program expenses incurred;
  - Accurately and timely claims processing; and
  - System safeguards and controls to prevent and detect improper financial activities by employees.

- Appropriate recordkeeping to document Program compliance in:
  - Budgets
  - Accounting records
  - Approved budget revisions
  - Training plans
  - Monitoring plans
- Compliance with:
  - CACFP meal patterns
  - Civil rights requirements
  - Training requirements
  - Recordkeeping guidelines (i.e., complete and maintained)
  - Reimbursable claims (e.g., claims are submitted only for eligible meals)

Additionally, new and renewing CEs already participating in another Child Nutrition Program administered by TDA (for example, the National School Lunch Program) must be in good standing within those programs to be approved to operate CACFP. For example, a school district placed on financial hold in the NSLP will have its new or renewal application denied for failure to demonstrate Program accountability due to deficiencies identified in other programs.

## **2222 Governing Body Awareness**

CEs must submit documentation that their independent governing board of directors acknowledges the responsibilities and liabilities related to Program participation.<sup>6</sup> A Governing Body Awareness (GBA) form is available at <http://www.squaremeals.org> (CACFP -> Administration/Forms) for CEs to use in submitting this information.

Acceptable documentation includes:

- Meeting minutes documenting the governing body's decision to participate in the Program, including:
  - Meeting date
  - Items discussed, including participation decision (i.e., begin or continue)
  - Names of present members
  - Names of voting members
  - Secretary of the board's signature
- Written declarations from each member stating awareness of Program responsibilities and liabilities. Board members absent from the meeting must still submit written declarations

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<sup>6</sup> Public institutions (governmental, military, or American Indian reservations) are exempt from the Governing Body Awareness requirement.

Additionally, for each board member (including owners of for-profit organizations), CEs must submit the following information through the Board of Directors screen in the online Application system:

- Full legal name
- Complete home mailing address
- Complete home street address, if different from mailing address
- Phone number
- Date of birth
- Relationship with any other member or employee
- If applicable, compensation for services to the organization

This must be submitted with the application and whenever changes occur in membership (e.g., a new member) or member information (e.g., a change in current member's address).

### **2223 Publicly Funded Programs**

CEs must provide:

- A list of publicly funded programs (any program or grant funded by federal, state, or local government) they currently participate in and have participated in during the past seven years.
- Certification that, during the past seven years, neither the organization nor any principals have been declared ineligible to participate in any other publicly funded program due to violation of program requirements.
  - If the organization or any principal was previously declared ineligible, the organization must submit documentation demonstrating that they were later fully reinstated or determined eligible for the program, including repayment of any funds owed.

### **2230 Budget**

CEs must submit an annual budget **within the Budget Detail section of the online application system** for the following estimated expenses (**note that categories may vary based on whether the CE is a sponsor, as well as the types of sites being sponsored**):

- Labor, including fringe benefits<sup>7</sup>
- Food (if applicable)
- Facilities and space
- Supplies and equipment
- Purchased services

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<sup>7</sup> CEs must submit a compensation policy when including labor costs in budgets. This policy should include information required by *FNS Instruction 796-2 Financial Management – CACFP*.

- Media costs
- Financial costs
- Sponsoring organization costs
- Indirect costs
- Contracted services
- Other expenses (e.g., printing or office supplies)

TDA reviews the proposed budget to ensure:

- The CE will not operate CACFP at a profit.
- Individual line items in the budget are:
  - **Allowable** uses of Program funds
  - **Reasonable** costs for items or services, which are determined by:
    - Program size, personnel duties, and community economic conditions
    - Sample budget data from other organizations
  - **Necessary** for Program operation.

TDA may ask CEs to revise budgets **within the Budget Detail** module or provide additional information if the submitted budget does not meet the above requirements (e.g., food cost budget appears low or paper supplies cost appears high).

**NOTE:** The approved budget includes potential costs authorized by TDA based on the CE's submission. **Approval does not guarantee reimbursement for the full amount of each budgeted item.** Rather, it identifies costs that may be allowable and establishes reasonable spending limits for each.

CEs may submit budget amendments **within the Budget Detail module** if approved budget levels prove inadequate or TDA determines an amendment is necessary. Each amended budget item requires approval by TDA.

Significant changes that require an amendment **within the Budget Detail module** include, but are not limited to, the following:

- **A single line-item amount that increases or decreases by at least 10%.**
- The addition of a new line item in the operation and/or administrative budget(s).
- **Any change to the overall budget that increases or decreases the overall budget amount by 10%.**
- **Moving any amount from a previously approved line item to another. Note that while this practice is generally acceptable if the amount moved between line items is less than 10% of the total budget and the overall budget amount remains the same, any amount moved in excess of 10% of the total budget will be carefully reviewed before TDA approval in accordance with federal regulations.**

TDA **will not** approve retroactive budget amendments. All costs in the budget require prior approval before expenditure.

If budgeted costs exceed expected Program reimbursement, the CE must disclose:

- Funding source(s) to support additional expenses, and/or
- Funding/income source(s) designated for nonprofit food service<sup>8</sup>

### **2231 Costs Requiring Specific Prior Written Approval (SPWA)**

CEs cannot include some item costs into the budget without receiving specific prior written approval (SPWA) from TDA or FNS Regional Office. CEs may refer to FNS Instruction 796-2 Financial Management – Child and Adult Care Food Program, Exhibit I (<https://www.fns.usda.gov/cacfp/fns-instruction-796-2-revision-4>) to determine what costs require SPWA. To request approval, CEs:

1. Select “Request for SWPA” under TX-UNPS Applications tab.
2. Select “Create a Request”, follow prompts, and submit all supporting documentation.
3. Upon submission, TDA will send an email either approving, denying, or requesting correction to the request. The request will be closed if it is determined that the cost does not require SPWA.

**If approved to purchase an item, CEs must amend their budget by adding the item to the appropriate cost category.** The approved SPWA ID may be selected within the Budget Detail, which will populate the line item with the approved SPWA amount. Failure to amend the budget before using Program funds will result in the cost being disallowed, requiring the CE to repay the nonprofit food service.

SPWA is only valid for the Program year in which it was obtained. CEs must request SPWA and submit supporting documentation annually for costs requiring written approval. However, if the specific prior written approval is for a contractual service/item, then an SPWA is not required every year that the contract is in place. During annual budget submittal, the CE will be able to note within the system that the current item has already been approved. Note that if the SPWA is for a monthly service contract that must be renewed annually, the CE will need to submit an SPWA for that service each year. If the approved SPWA for a contracted service is selected within the Budget Detail, the contract terms will populate to illustrate in what year the contract is in.

### **2232 Estimated Carryover of Administrative Reimbursement (Day Care Home Sponsors Only)**

Sponsors of day care homes receive administrative reimbursement for the allowable expenses they incur while sponsoring the CACFP activities of their providers.<sup>9</sup> Day care home sponsors

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<sup>8</sup> Money designated specifically for nonprofit food service operations must be used solely for that purpose and accounted for according to Program requirements. These funds are classified as "restricted funds."

<sup>9</sup> See Section 7000, *Financial Management*, for more information on calculation and allowable uses of administrative reimbursement for day care home sponsors.

may carry over up to 10% of the total administrative reimbursement received in the current Program year into the next Program year.

CEs must account for this residual amount in their annual budget. However, because this determination for the next Program year is based on administrative claims paid and administrative expenses incurred in the current year, and because the annual budget submission deadline is before the end of the Program year, CEs **must estimate** this amount when preparing the budget.

The budget for the next Program year must reflect:

- Total anticipated administrative reimbursement for current Program year (for example, \$150,000).
- Estimated total administrative expenses for the current Program year (for example, \$100,000)
- The maximum estimated carryover based on 10% of the anticipated reimbursement (\$15,000).
- Estimated amount over the allowed carryover to be returned to TDA using the following calculation: Anticipated Reimbursement (\$150,000) - Estimated Expenses (\$100,000) - maximum estimated carryover (15,000) = \$35,000.

TDA notifies sponsors after the end of each Program Year of the **actual** maximum amount available that can be carried over based on the **actual** administrative expenses reported monthly throughout the Program year and the administrative reimbursement received. CEs must submit an amended budget after the Program year close-out to reflect the actual residual amount to be carried over.

**NOTE:** The CE may choose to carry over less than 10% of administrative reimbursement and will note the actual amount in its final budget.

### **2233 Budget Guidance**

- *Section 7000 Financial Management and FNS Instruction 796-2 Financial Management – Child and Adult Care Food Program* (<https://www.fns.usda.gov/cacfp/fns-instruction-796-2-revision-4>) provides budget guidance, including guidelines on:
  - Approval levels
  - Allowable and unallowable costs
  - Costs requiring SPWA
- Compensation Tools for CACFP can help CEs determine reasonable salary budgets for Program staff (found on <https://www.squaremeals.org/Programs/Child-and-Adult-Care-Food-Program>)
  - These tools use North American Industry Classification System and Bureau of Labor Statistics (i.e., “Social Assistance” industry type and jobs) data to determine the maximum salary range for Program positions.

## **2240 Unique Entity Identifier Number**

A Unique Entity Identifier (UEI) is required for all entities doing business with the federal government. All CEs must complete the following steps:

1. Register and obtain a UEI from SAM.gov
2. Once your organization has a UEI, please email the number to [CACFP.bops@texasagriculture.gov](mailto:CACFP.bops@texasagriculture.gov)

For more information, go to SAM.gov. Please note that TDA does not administer the SAM.gov website. All requests for technical help should be directed to SAM.gov. Note also that the UEI number will not replace the Employer Identification Number (EIN).

## **2250 Business Office Documentation and Requirements**

CEs must provide the complete physical address of the primary business office where:

- Program records will be maintained.
- All essential Program management functions (e.g., review and approval of menus/meal counts, claims processing) will be performed.

If a CE's primary business office location changes, the CE must:

- Submit changes to their application/management plan, including budget (if applicable).
- As applicable, submit a new license if their primary business office is also a licensed center.

Records must be available during normal business hours (minimum 8:00 a.m. to 5:00 p.m., Monday through Friday). A CE representative must be:

- Available to meet with TDA staff with no more than four hours' notice during normal business hours.
- Available by telephone to sites/providers and TDA during normal business hours
  - Voice mail service is required.
  - 24-hour response time is required to sites and TDA who leave messages.

## **2260 Pre-Award Civil Rights Compliance Review**

New CEs must submit information to verify compliance with applicable nondiscrimination laws using the *Pre-Award Civil Rights Compliance Review* form (located in "Download Forms" in TX-UNPS). See Section 6000, *Civil Rights*, for additional information.

## **2270 Financial Requirements and Requests**

### **2271 Audit Compliance**

CEs must complete the *Annual Audit Form* in TX-UNPS certifying that they will obtain an audit if it meets the single audit or TDA for-profit audit requirements. See Section 5000 *Visits, Reviews, and Audits*, for more information.

## 2272 Cash-in-lieu of USDA Foods

During the annual application process, TDA surveys CACFP CEs to determine preference for either USDA Foods or a cash payment (i.e., cash-in-lieu of commodities). If a large majority of CEs prefer to receive cash-in-lieu, making the provision of USDA Foods to a select few CEs impractical, TDA will provide cash-in-lieu to all CEs for each lunch and supper served to eligible participants at the established reimbursement rate.

USDA adjusts the cash-in-lieu rate annually.

CACFP CEs are:

- **Not allowed** to use cash-in-lieu funds to pay fees charged by food banks for donated foods, including USDA foods. However, CEs *may* use non-cash-in-lieu funds for this purpose.
- **Allowed** to use cash-in-lieu funds to pay fees charged by food banks for donated non-USDA Foods.

CEs must document sources of any funds used to obtain USDA Foods.

### TEFAP/CACFP Dual Participation at Centers

Centers meeting *The Emergency Food Assistance Program* (TEFAP) definition of “charitable institution” may participate in both CACFP and TEFAP. TEFAP supplies USDA Foods to eligible recipients through soup kitchens, pantries, or other organizations.

**NOTE:** Federal regulations prohibit charging recipients (money, materials, or services) for USDA Foods, whether through direct distribution or prepared meals.

CEs must keep CACFP cash-in-lieu funds separate from other funds, including TEFAP administrative funds, as cash-in-lieu funds must only purchase or obtain food for CACFP use. Centers may use CACFP cash-in-lieu funds at food banks to obtain non-USDA Foods.

## 2273 Advance Payments

An advance payment is financial assistance made available to a CE for Program costs before they are incurred. A CE may be eligible to receive advance payments if the CE:

- Requests an advance in its application; and
- Is not indebted to TDA from a previous Program year in any Child Nutrition Program in which it participates.

Advance payments are *not required* for Program participation; CEs should carefully consider the need before making a request, as advances must be repaid. Overestimating or fluctuating participation may create debt for unearned advances at program year-end, and failure to return unearned advance payments may result in adverse actions, including serious deficiency process placement, permanent agreement termination, and criminal prosecution referral.

### 2273.1 Determining the Amount of an Advance

The amount of the advance is based on the amount of reimbursement projected to be earned during the month for which the advance payment is issued, as follows:

- **Full advance:** 100 percent of the amount of reimbursement projected
- **Partial advance:** 75 percent of the projected amount
- **Half advance:** 50 percent of the projected amount.

The initial advance payment for new CEs that don't have a claim history is based on the following:

- **For sponsors of centers:** the anticipated number of meals that would be served to enrolled children during the month multiplied by the reimbursement rate per meal specified by USDA.
- **For sponsors of day care home providers:** the number of providers they have submitted for sponsorship (for administrative cost advances) and the anticipated number of meals to be served to enrolled children during the month multiplied by the reimbursement rate per meal specified by USDA (for meal reimbursement advances).

Once a CE has a claim history, advances are calculated based on the last claim submitted.

CEs receiving advances for meal reimbursement purposes must disburse the funds to their sites/providers within 5 business days of receipt.

### 2273.2 Requesting Advances

To request advance payments, CEs should submit their application and required documentation at least 60 days before the first day of desired participation month. Note that TDA will not issue advances in September and October.

### 2273.3 Repayment Process

TDA will recoup advances for the current Program year from July and August claims. If those funds are insufficient, TDA will continue recouping from subsequent claims. TDA **will not** issue advances for the next Program year until the CE pays all outstanding advances. TDA does not issue advances for September and October.

### 2273.4 Discontinuing Advances

Discontinuation of advance payments could occur for the following reasons:

- TDA determines a CE will be unable to submit a valid claim for reimbursement covering the month(s) advance payments have already been made.
- TDA has evidence that the CE has been deficient in its Program operation in the current or prior Program year.
- The CE owes for an advance overpayment at the end of the Program year.
- The CE owes any other debt to TDA.
- The CE does not submit valid claims and/or required audit reports.

- The CE submits a written request to stop receiving advances.

After discontinuation, the CE may submit a request via the application system that advances be reinstated.

CEs may request to discontinue advance payments by submitting a written request that includes the month to stop advances. CEs should submit requests at least one month in advance to ensure timely processing.

CEs should submit written requests via:

- Email to [CACFP.Bops@TexasAgriculture.gov](mailto:CACFP.Bops@TexasAgriculture.gov);
- Mail to the Texas Department of Agriculture, Attn: Business Operations – Advances, P.O. Box 12847, Austin, TX 78711; or
- Overnight delivery to the Texas Department of Agriculture, Attn: Business Operations – Advances, 1700 N. Congress Ave., Austin, TX 78701.

If advance payments are discontinued for any reason, the CE will not receive retroactive advance payments for the month(s) its advances were discontinued.

## **2274 Start-Up and Expansion Funds for Day Care Home Sponsors**

CACFP regulations allow sponsors of day care homes to request financial assistance for developing or expanding a food service program in day care homes and initiating successful Programs. Expansion funds may be requested for recruiting day care homes located in low-income or rural areas. These start-up or expansion payments may include administrative expenses associated with outreach and recruitment of unlicensed family or group day care homes and the allowable licensing-related expenses of such homes.

### **2274.1 Start-Up Funds**

TDA may allocate start-up funds to assist new sponsors with the recruitment of up to a maximum of 50 providers. Existing sponsors will not receive start-up funding for currently sponsored providers; instead, existing sponsors may receive start-up funds based on the number of providers needed to increase their total number of sponsorships to 50.

CEs may receive start-up funding for one or two months of recruitment efforts.

**EXAMPLE:** A CE currently sponsoring 10 day care homes wants to recruit 40 more.

- **1-month minimum funding:** 40 homes x \$150 (PY 2026 administrative rate per provider, 1<sup>st</sup> 50 providers) x 1 month (minimum) = \$6,000 (minimum start-up funding)
- **2-month maximum funding:** 40 x \$150 x 2 months (maximum) = \$12,000 (maximum start-up funding).

Start-up funds can only be received once and must be used to pay only for *direct* recruitment costs (e.g., staff and travel). Indirect costs will not be funded.

After the recruitment period specified in the agreement, CEs must submit records detailing start-up fund usage. TDA may request a repayment of unused funds. CEs may retain properly used funds regardless of the recruitment's success.

## 2274.2 Expansion Funds

Day care home sponsors who have already used start-up funds or are ineligible for them (because they already sponsor more than 50 homes) may request *expansion funds* to assist expansion into low-income or rural areas.

CEs may:

- Request funding for one or two months of recruitment efforts
- Use expansion funds to recruit a maximum of 50 *new* providers
  - **NOTE:** This is unlike start-up funds in that existing sponsors may receive funds to recruit up to 50 new providers regardless of how many providers they currently sponsor.
- Calculate minimum and maximum expansion funding using the method found in *Start-Up Funds* above.

CEs should note the following **limitations** to expansion funds:

- CEs will not receive expansion funds for currently-sponsored providers
- CEs may only receive expansion funds *once*:
  - During any 12-month period, or
  - For any particular geographic area
- CEs who have received start-up funds must wait one year *after* satisfying all start-up fund obligations before becoming eligible to request expansion funds

When evaluating requests for expansion funds, TDA considers:

- Anticipated funding amount and alternatives for expansion
- Preference for CEs successfully sponsoring 50+ homes for at least one year

**NOTE:** TDA encourages CEs sponsoring fewer than 50 homes to apply for start-up funds instead of expansion funds.

After the recruitment period specified in the agreement, CEs must submit records detailing expansion fund usage. TDA may request a repayment of funds not used according to Program requirements upon review (e.g., training of currently sponsored providers). CEs may retain properly used funds regardless of the expansion's success.

## 2274.3 Applying for Start-Up or Expansion Funds

Day care home sponsors can request start-up or expansion funds through the *Start Up or Expansion Payments Application* located on the CACFP Administration/Forms page of SquareMeals.org. In their application, day care home sponsors must include:

- Type of payment requested.
- An acceptable recruitment plan.

- Organizational history of managing funds and ongoing activities.
- If applying for expansion funds, a description of the geographic area in which the sponsor will be recruiting.
- Management plan and estimated administrative budget.

Upon approval, sponsors must sign and submit the *Start Up or Expansion Payments Agreement*, which includes the following:

- TDA funding amount based on the type of funds requested
- Timeframe for the use of funds
- Provision for repayment of unused funds
- Provision that the sponsor must use funds in accordance with its Application, federal regulations, and state policies, which include guidance issued in this handbook.

## 2275 Performance Bond

Non-governmental sponsoring organizations with less than 3 years of successful administrative and financial history within the past 7 years must submit a performance bond with their application. Performance bonds protect against misuse of federal funding.<sup>10</sup>

**EXCEPTION:** Current SFSP sponsors in good standing (neither in the serious deficiency process for SFSP nor owing debt to TDA) are not required to submit a performance bond.

The performance bond must:

- Be submitted with the initial application.
- Be from an approved surety company listed in the most recent publication of the U.S. Treasury Department’s Circular 570.
- **For renewal applications:** Be submitted with a Continuation Certification (if applicable) until TDA grants relief.

CEs can find an informational letter, a standard bond form, and instructions for completing the form in the “Download Forms” section in TX-UNPS and the CACFP Administration/Forms section of SquareMeals.org. CE will present the bond form to the surety company and complete it using the instructions.

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<sup>10</sup> Note that a performance bond is not a substitute for demonstrative successful program operations, which will be determined by TDA review within the first 12 months of operation.

### 2275.1 Amount of a Performance Bond

The minimum amount of the performance bond is determined using the following formula:

**(Total enrollment) x (current total free reimbursement rate<sup>11</sup> for each meal type) x 90**

|   | <b>Center Example</b>  | <b>Provider Example</b>   | <b>At-risk Sponsor Example</b>  |
|---|--|---|---|
|   | A sponsor operates two sites with combined enrollment of 50 children. Both sites claim breakfast (\$2.46 free reimbursement rate), snack (\$1.26 rate), and lunch (\$4.60 rate). | A CE sponsors two providers with combined enrollment of 12 children. Both providers claim breakfast (\$1.70 Tier I reimbursement rate), snack (\$0.96 rate), and lunch (\$3.22 rate). | A sponsor operates two centers with combined enrollment of 12 children. Both sites claim snack (\$1.26 free reimbursement rate) and supper (\$4.60 rate). |
| Total Enrollment                                  | 50 children  | 12 children   | 50 children   |
| Current Total Free/Tier I Rate for Each Meal Type | \$2.46 + \$1.26 + \$4.60<br>= \$8.32   | \$1.70 + \$0.96 + \$3.22<br>= \$5.88  | \$1.26 + \$4.60<br>= \$5.86   |
| Formula   | 50 x \$8.32 x 90   | 12 x \$5.88 x 90  | 50 x \$5.86 x 90  |
| <b>Minimum amount of initial bond</b>             | <b>\$37,440</b>  | <b>\$6,350.40</b>   | <b>\$26,370</b>   |

### 2275.2 Increasing or Decreasing Bond Amount

CEs must increase the bond amount if:

- Enrollment or reimbursement rates increase by 50% or more of original anticipated amounts; and
- There is a 50% increase from the time the bond was last increased. The bond amount must be increased with each 50% increase.

CEs must submit the increased bond amount to TDA within 45 days of the increase in enrollment or reimbursement rate.

TDA may approve written requests to decrease the bond amount if:

- A CE experiences significant decreases in enrollment or reimbursement rates; or

<sup>11</sup> **NOTE:** The examples above uses USDA reimbursement rates from 2026. CE's must use current reimbursement rates for actual performance bond calculations.

- A CE operates **all sites/providers** two days per week or less. In their written requests, which will be subject to TDA’s validation against claim and review data, CEs must include:
  - The number of sites/providers operated
  - The number of operational days per week for each site/provider
  - The meal type(s) served by each site/provider
  - Enrollment at each site/provider, or if no enrollment is required, the number of daily participants the organization anticipates serving at each site

### **2275.3 Relief from Bonding Requirement**

CEs required to obtain a performance bond may request relief after demonstrating three years of successful administrative and financial history by submitting a written request to TDA. Successful Program participation will be considered when determining approval or denial of the request.

**NOTE:** A CE’s relief request will be denied if they are not in good standing in SFSP (for example, in the serious deficiency process or owing debt to TDA).

CEs should submit written requests via:

- Email to [CACFP.Bops@TexasAgriculture.gov](mailto:CACFP.Bops@TexasAgriculture.gov);
- Mail to the Texas Department of Agriculture, Attn: Business Operations – Applications, P.O. Box 12847, Austin, TX 78711; or
- Overnight delivery to the Texas Department of Agriculture, Attn: Business Operations – Applications, 1700 N. Congress Ave., Austin, TX 78701.

### **2275.4 Cost of Obtaining a Performance Bond**

The following performance bond costs may be allowable if included in the CE’s approved budget:

- Initial cost to obtain if incurred in the same month as participation approval.
- Maintenance and renewal for continued CACFP participation.

### **2280 Required Training**

All CEs must attend mandatory CACFP training. Training certificates:

- Are provided to the CE after successful completion by a representative.
- Are non-transferrable across organizations.
- Must be retained with Program records.

**NOTE:** Training expenses are an allowable expense if they are included in the CE’s approved budget.

A CE representative must complete *CACFP Program Application for New CEs* before application approval and permanent agreement execution. Access and complete applicable training at SquareMeals.org: <https://squaremeals.org/FandN-Resources/Training/CACFP-Training>

The CE representative will receive a certificate after completing the training; the certificate will be requested as part of the CE’s financial viability application review. If the representative fails to complete the training, he or she may enroll in the next regularly scheduled training. Applications will not be approved without completed training.

TDA recommends that the representative(s) who receive training are owners, directors, or high-ranking officials who can train others, including sites/providers, on Program responsibilities.

The following table illustrates the special circumstances in which an organization that had previously participated in CACFP may be required to take the introductory training before continuing participation:

| <b>If ...</b>  | <b>Then ...</b>   |
|--|---|
| A previous participant withdrew from the program   | <i>CACFP Program Application for New CEs</i> is mandatory prior to resuming participation.      |
| An organization experiences a complete legal identity <i>and</i> principal staff change  | <i>CACFP Program Application for New CEs</i> is mandatory prior to resuming participation.      |
| An organization’s name changes, but Employer’s Identification Number (EIN), legal identity, and principal staff did not change | <i>CACFP Program Application for New CEs</i> is <b>not</b> required.                            |
| An organization experiences a complete legal identity change, but principal staff did not change                               | <i>CACFP Program Application for New CEs</i> is <b>not</b> required, unless recommended by TDA. |

**NOTE:** Training is valid for one year from completion date. An organization that does not submit its application to TDA within this timeframe must repeat the training.

After application approval, TDA may require CE representatives to attend mandatory training sessions during each program year. TDA will notify CEs of any required training.

## **2290 Amendments**

A CE’s application, including its management plan, and signed permanent agreement, can only be amended with TDA’s approval. There are two types of amendments: universal and contracting-entity specific.

## 2291 Universal Amendments

TDA initiates universal amendments to modify permanent agreement terms and conditions for all CEs. These amendments may be specific to a particular program, regardless of a CE's participation in the program.

## 2292 Contracting Entity-Specific Amendments

CE-specific amendments are limited to:

- Adding a TDA-administered program.
- Deleting a TDA-administered program.
- Name changes without:
  - Affecting an organization's EIN under existing permanent agreement; or
  - Changing legal identity documentation under existing permanent agreement.

TDA uses an amendment form to update participation status and/or organization names. Once TDA receives and approves amendment forms, it will return a countersigned copy to the CE for recordkeeping.

| Program Addition Example   | Name Change Example   |
|--|---|
| If a CE is approved for SFSP and applies for CACFP, it must complete an amendment form. The CE should sign and return the form to TDA. | If a CE changes its organization's name without changing its EIN or legal identity, TDA will send an amendment form with the updated name, which the CE should sign and return. |

CE-specific amendments can be initiated by TDA or the CE. CEs can withdraw amendments by notifying TDA in writing. CEs who fail to return a CE-specific amendment or provide withdrawal notification to TDA can be placed in the serious deficiency process. See Section 10000, *Serious Deficiency*, for more information.

## 2293 Application or Management Plan Changes

CEs must submit any changes to their application or management plan as they occur, including changes to the budget that do not include a change to the total budget amount.

### NOTES:

- If a CE fails to properly request changes in advance, claims for reimbursement may be delayed or negatively affected.
- CEs without access to the online Application system may contact TDA for paper versions that can be mailed or emailed to TDA.

When requesting changes to the application or management plan, CEs must adhere to the following requirements:

- Request application, management plan, or site/provider application (as applicable) changes through the online Application system.
- Upload, mail, or email additional information if needed.

- As applicable, maintain completed site/provider application in the online Application system for each change submitted on behalf of unaffiliated sites or providers.
- Provide a copy to sites/providers, as applicable.

**NOTE:** CEs can amend applications for unaffiliated sites/providers without obtaining the site representative's signature.

## **2300 Timeline for Application Approval**

Review times for applications depend on how frequently and accurately the organization provides the requested information to TDA.

- Upon a successful eligibility check, if applicable, an organization is sent a link to upload proof of the organization's financial documentation so that TDA can conduct a financial viability review, if applicable<sup>12</sup>. Information submitted to TDA will be reviewed immediately upon submission; if there is any information that is incomplete, TDA will notify the organization. Organizations **must submit** complete and accurate information within 90 days of initial submittal of the financial documentation or the application will be denied.
- Once the financial viability review is complete, the organization will be sent a link to the online application. The application steps below **must be completed within 90 days of initial submission:**
  - The organization must provide all of the information described in this section and in the application. TDA will complete its review within seven business days and notify the organization of any missing information.
  - If a Visit Prior to Approval (VPA) is required, after the information from the online application has been received and considered complete, TDA will send a written request to the organization requesting additional documentation in advance of the review. All requested documentation must be received within 90 days of the date that the online application was submitted.

Once the above steps are complete, the application is considered complete and correct. TDA has 30 days to approve the application, which includes conducting and completing a VPA, if required (See *Visit Prior to Approval* below for more information).

If a VPA is not required, TDA will send a signed Permanent Agreement<sup>13</sup> to the organization. This Agreement must be signed and executed before TDA will issue payments or reimbursement. Organizations should notify TDA immediately if their mailing address has changed to ensure prompt delivery of the Agreement and other Program information.

If at any point an application is denied based on either failure to submit a complete and correct application or failure to show proof of VCA during a VPA, TDA will provide appeal rights and instructions to the organization (See Section 8000, *Denials, Terminations, and Appeals* for more information).

<sup>12</sup> Financial viability reviews are not required for organizations currently participating in the National School Lunch Program (NSLP) and/or the School Breakfast Program (SBP) or organizations participating in the Summer Food Service Program (SFSP) who are eligible for streamlined reviews.

<sup>13</sup> A sample of the Permanent Agreement is located in the Forms table at: <https://squaremeals.org/Programs/Child-and-Adult-Care-Food-Program/Administration-Forms>

### **2310 Visit Prior to Approval**

For organizations that require a Visit Prior to Approval (VPA),<sup>14</sup> once all requested documentation for the VPA has been received (i.e. the application is considered complete), TDA will quickly schedule the review, in which TDA will:

- Provide technical assistance.
- Assess ability to manage and operate Program activities.
- Verify submitted application and supporting documents.
- Verify resources dedicated to Program management.
- If applicable (for example, at an independent center), verify ability to provide a meal service that meets Program requirements.
- If applicable, using existing Program documentation, determine whether meals served in the month prior to application approval qualify for claim reimbursement.

Inconsistencies between TDA observations and any submitted information could result in application denial and/or placement in the serious deficiency process.

### **2400 Contracting Entity Application Renewal**

The CACFP Program year corresponds with the federal fiscal year, October 1 - September 30. A CE is required to submit an application each year. However, the information provided on certain checklist items is routinely valid for a longer period. As a result, TDA may retain documents from a prior Program year, thereby reducing the number of items that a CE must submit for additional program years.

Information that rolls over each year must be reviewed and updated by the CE as needed, and any information that does not roll over will need to be re-entered. Failure to complete all items will delay the renewal process and could result in termination.

CEs with less than two years' participation in the Program and/or those that experienced operational issues (for example, placement in the serious deficiency process at any time in the prior three program years, owe a debt to TDA, in the claim validation process) will be required to submit significantly more information during the renewal period. TDA will identify these CEs prior to renewal and notify those CEs via email of their renewal requirements.

CEs that do not have access to the Internet or to the online Application system may submit the renewal application via manual methods. Start by requesting a paper copy from TDA at 877-TEX MEAL (877-8396325). Complete the paper forms and mail or email them to TDA. Please note that submitting a renewal via paper forms may delay the renewal process.

### **2410 Compliance Issues at Time of Renewal**

In accordance with Section 8000, TDA will deny any renewal application if an organization is not in compliance with the Performance Standards. However, if a CE is in the middle of the

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<sup>14</sup> TDA will not conduct a visit prior to approval for SFAs or SFSP sponsors in good standing that are currently operating SFSP during the summer months.

Serious Deficiency process (see Section 10000, *Serious Deficiency*) at the time that a Program Year rolls over into the next year, TDA will extend the Permanent Agreement to allow the CE to submit **valid** claims until the process is complete.

**This temporary extension is not considered a renewal.** TDA will terminate any Agreements that were temporarily extended once the Serious Deficiency process concludes. If corrective action was successfully implemented at the end of the Serious Deficiency process, the organization will have the opportunity to reapply as a new CE.

## 2500 Site/Provider Eligibility and Application Process

Independent and sponsored child care centers, adult day care centers, At-risk sites, outside-school-hours care centers, and emergency shelters, as well as day care home providers, generally must meet the following eligibility requirements except where noted:

- **Licensing:** Sites/providers must be licensed or registered by federal, state, or local authorities to provide participant care, **or** retain licensing/registration exemption documentation provided by the licensing authority. See *Licensing and Registration* below.
- **(Centers only) Meet applicable non-profit or for-profit eligibility requirements:** See *Tax Exempt Status* and *For-profit Centers* below.
- **Non-residential care:** Provide non-residential participant care. See *Emergency Shelter Provisions* below for exceptions.
- **Participant eligibility:**
  - **Child care centers and outside school hours care centers:** – Eligible participants include children 12 years of age and under, children age 15 and under who are children of migrant workers, and persons of any age with disabilities.
  - **At-risk sites:** School-age children through age 18 (or 19 if the individual turns 19 during the school year) and persons of any age with disabilities.
  - **Adult day care centers:** Persons who are functionally impaired<sup>15</sup> or 60 years of age or older
  - **Emergency shelters:** Persons 18 and under

## 2510 Licensing and Registration

### 2511 Documentation Requirements

To document licensure, applicable sites and providers must maintain a copy of the license or registration issued by:

- Texas Health and Human Services Commission (HHSC), or

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<sup>15</sup> Defined by regulation as a “chronically impaired disabled persons 18 years of age or older, including victims of Alzheimer’s disease and related disorders with neurological and organic brain dysfunction, who are physically or mentally impaired to the extent that their capacity for independence and their ability to carry out activities of daily living is markedly limited.”

- For child care programs:
  - Military installation; or
  - Indian reservation.
- For adult day care centers:
  - Other licensing authority.

If a childcare site/provider is approved for child care by HHSC but hasn't received its license, a CE may submit alternate documentation (see *Alternate HHSC Documentation* below). The site/provider must immediately submit the copy of the license when it is received.

### **2512 Change in License Status**

TDA verifies a site/provider's license when it is:

- Amended;
- Relinquished; or
- Up for renewal, with documentation to demonstrate compliance with renewal procedures.

#### **NOTES:**

- During renewal (continuation) processing, CEs are not required to submit copies of site licenses unless their status has changed. However, CEs must certify each site maintains a current license or exemption.
- For each new added site, sponsor CEs must submit documentation of licensure or exemption.

### **2513 Alternate HHSC Documentation**

If a site/provider is approved for childcare by HHSC but hasn't received its license, a CE may submit a screenshot as temporary proof of license or registration. CEs must:

- Submit the copy of the license/registration immediately when it is received.
- If actual license or registration is not received within 3 months of submitting temporary proof, contact the site or HHSC to obtain license or its status.

To obtain this screenshot, utilize the "Search Texas Child Care" search engine at <https://childcare.hhs.texas.gov/Public/childcaresearch#> to find the location and print the results.

Screenshots must include the HHSC logo and name (see *Section 11000 Resources* for an example). TDA will verify documentation and initiate the serious deficiency process for falsified records or those not from the HHSC website.

If a licensed site/provider whose address has changed can submit a screenshot that has its new location's address, they will still be eligible to claim reimbursement for meals. If the screenshot reflects the site/provider's old address, the site/provider will not be eligible to claim meals.

TDA will suspend the alternate documentation option for any CE that:

- Fails to submit licenses within reasonable timeframes after submitting temporary proof.
- Shows pattern of not making good faith efforts to obtain licenses.

#### **2514 Exemptions to HHSC Licensing Requirements**

Emergency shelters, outside-school-hours care centers, and At-risk sites may qualify for exemption from licensing under these conditions:

- Neither license nor written exemption from HHSC required for sites operating:
  - Less than 2 hours daily; or
  - More than 2 hours daily but less than 3 days weekly.
- License or written exemption from HHSC **required** for sites operating:
  - Exactly 2 hours daily for 3+ days weekly; and
  - More than 2 hours daily for 3+ days weekly.

**NOTE:** The time durations above apply to the “Normal Hours of Child Care Operations,” as indicated on the site application and not the meal service duration.

Any organization exempt from licensing must submit documentation (e.g., most recently completed inspection report, certificate of compliance) demonstrating compliance with city, county, or state health and safety requirements with their site application. A list of local public health organizations can be found at <http://dshs.texas.gov/regions/lhds.shtm>.

**EXCEPTIONS:** When applying for the At-risk component, the following are exempt from submitting health or safety documentation:

- SFAs currently participating in NSLP/SBP.
- Non-SFA sites in schools participating in NSLP/SBP, if school has required food inspections for meal programs.
  - CEs should verify school compliance with school officials.
  - CEs must obtain health and safety documentation if school does not have the documentation available.

**NOTE:** Submission of a letter to the local health or safety authority does not qualify as documentation of compliance.

#### **2515 Operational Changes, Including Operation Times**

Before making changes to operational hours, days, or months, or other operational aspects, sites/providers must:

- Notify HHSC in advance; and
- Receive approval.

TDA will not approve meals/snacks and weekend participation if operation hours/days listed on the site/provider’s application do not match those listed on the HHSC licensing website.

**NOTE:** If a CE approves a site/provider to claim meals during weekend care, they must:

- Ensure the site/provider is licensed to operate on weekends;
- Document weekend operation approval; and
- Monitor the site/provider's weekend participation.

### **2516 Day Care Home Provider Location Changes**

Licensed day care home providers who change locations:

- Become ineligible for CACFP if not licensed at the new address.
- May receive a temporary license while awaiting permanent licensure determination if HHSC is notified before moving.
- May participate in CACFP with a temporary license.

Registered day care home providers who change locations:

- May continue operating under current registration if HHSC is notified within 15 calendar days of moving.
- If the provider is newly sponsored:
  - CEs may submit current registration with notation of location change date.
  - Must provide new address in the application.

If a provider fails to notify HHSC within 15 calendar days of moving or is otherwise ineligible for amended registration:

- HHSC will send written revocation notice.
- During revocation process, the provider:
  - Remains eligible to provide childcare; and
  - Remains eligible for CACFP participation until all appeal rights are exhausted.
- After final decision, the provider is ineligible for both child care and CACFP if HHSC officially revokes registration.

### **2517 Violation Reporting**

TDA will report any site/provider violating licensing rules, including those for meals and snacks, to HHSC for investigation. CEs must report sponsored sites/providers that violate licensing rules to HHSC, including violations of requirements for:

- Meals and snacks; and
- Hours, days, and months of operation

## 2520 Tax Exempt Status

Tax-exempt organizations must:

- Receive and maintain tax-exempt status under 501(c)(3) from the IRS either:
  - Individually; or
  - As part of a group ruling, in which case the organization must submit proof of affiliation with the tax-exempt parent organization.
- Upon tax-exempt status loss, notify TDA and voluntarily terminate its Permanent Agreement:
  - Failure to do so will result in placement within the serious deficiency process.
  - To prevent losing tax-exempt status, organizations must ensure compliance with the IRS 990 filing requirements.
- **For sponsors of centers:** Maintain and make available tax-exempt status documentation for sponsored nonprofit sites.

## 2521 Exceptions for Tax-Exempt Requirements

The following organizations do not need to submit proof of tax-exemption:

- Churches meeting definitions outlined in IRS publications [557, Tax Exempt Status for Your Organization](#) and [1828, Tax Guide for Churches and Religious Organizations](#).
- SFAs currently participating in NSLP/SBP.
- Current tax-exempt SFSP sponsors in good standing that have already submitted this documentation to TDA.

## 2530 For-profit Sites

For-profit organizations must demonstrate that during the month before initial application or renewal:

- **Child care centers or outside-school-hours care centers:**  
25% of the *lower of* enrolled children or licensed capacity:
  - Were eligible for free or reduced-price meals; **or**
  - Received Title XX benefits from amounts granted to the center by Texas.
- **At-risk sites:** At-risk sites **must** be nonprofit **unless** operated by a for-profit, traditional child care center meeting the for-profit requirements described above. School-age participants in an At-risk program located at a child care center **must not** be counted in the 25% enrollment/licensed capacity calculations for determining for-profit center eligibility.
- **Adult Day Care center:**  
25% of the adults enrolled received Title XIX or Title XX benefits, or a combination of both, from amounts granted to the center by Texas.

**NOTE:** Centers that are neither recognized as nonprofit entities by the IRS or administered by a tribal government<sup>16</sup> are considered for-profit organizations and are subject to the applicable 25% enrollment/licensed capacity requirements described above.

Once approved, for-profit organizations may continue participation even if the percentage of enrollees that meet the above applicable criteria falls below 25%. However, **no meal reimbursement** will be provided for any month when this percentage is below 25%, including meals served in both traditional and At-risk components, if applicable.

**NOTES:**

- **No rounding up:** For-profit organizations must never round up percentages (e.g., 24.99% does not meet the 25% eligibility requirement).
- **Title XIX or XX calculations:** Individuals must be documented recipients of Title XIX or Title XX benefits to be included in the 25% calculations. Title XIX or XX recipients may include:
  - Child Care and Development Fund pool recipients receiving Title XX benefits.
  - Children receiving Title XX benefits for self-arranged care.
  - HHSC Day Activity and Health Services (DAHS) program Title XX adult beneficiaries as documented on a printout of the automated claims file; adult day care sites must have a DAHS contract to provide Title XX benefits to clients.
  - STAR+PLUS program adults receiving Title XIX benefits.

**STAR+PLUS Program for Adults**

STAR+PLUS is a Texas Medicaid managed care program for people with disabilities or aged 65+. Participants are Title XIX clients with full Medicaid coverage and are automatically eligible for free meals; they must provide their Medicaid case number when completing the CACFP Meal Benefit Income Eligibility Form (Adult Care).

Participants enrolled at least one day in the claim month can be included by for-profit sites in their calculations towards the 25% requirement for claims reimbursement.

**2540 At-Risk Site Provisions**

**2541 Additional Eligibility Requirements**

In addition to the eligibility requirements for centers listed above, At-risk afterschool centers must meet the following eligibility requirements:

- **Afterschool child care as primary purpose:** Programs must be organized primarily to provide child care after school or on weekends, holidays, or school vacations during the regular school year.
- **Area eligibility requirements:** The site must be located in an attendance area meeting requirements outlined in *Area Eligibility Requirements for At-risk Sites*.

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<sup>16</sup> For Program purposes, TDA recognizes as nonprofit entities centers directly administered by Native American tribal governments, if the tribal government is either a) recognized as a public institution or local government by federal or state law or b) granted nonprofit status by the IRS.

- **Organized enrichment activities:** Programs must provide regularly scheduled, structured, and supervised educational or enrichment activities that are available to all children in attendance at the program. Refer to *Organized At-risk Enrichment Activities Guidelines* below for more information on eligible enrichment activities at At-risk sites.

**NOTE:** An unaffiliated organization signing the Permanent Agreement with a sponsor must be responsible for the child care aspect occurring onsite and for the provision/procurement of enrichment activities. **Effective Program Year 2027, the unaffiliated organization signing the Permanent Agreement with the sponsor must be legally affiliated with the organization or business operating at the location of service.**

## 2542 Area Eligibility Requirements for At-risk Sites

At-risk sites must be located in the attendance area of a public school where at least 50% of enrolled children are eligible for free or reduced-price school meals under the National School Lunch Program (NSLP).<sup>17</sup>

### 2542.1 Data Used for Determining Area Eligibility

An At-risk site is area eligible if it is at a school, or in the attendance area of a school, for which school data from the most recent October indicates that at least 50% of enrolled children are eligible for free or reduced-price lunch. By February 15 of each year, TDA publishes the *School Data for Area Eligibility* report on the CACFP Administration/Forms page of SquareMeals that lists all area-eligible schools in the state.

CEs may not use the following to determine area eligibility:

1. Census data.
2. Free and reduced-price enrollment data from private or charter schools, *unless* the afterschool program is located in the private or charter school.

Area eligibility determinations are valid for five years unless TDA receives information indicating the At-risk site is no longer area eligible.

### 2542.2 Busing and School Choice

If the site is in an area with busing (students assigned to schools outside their neighborhood to achieve racial or economic diversity), **and the district has defined attendance zones**, the CE has two options to determine area eligibility for an At-risk site. The CE can:

- Use student free/reduced eligibility data based on the current enrollment at the school where the bused children are attending; *or*
- Calculate the student free/reduced eligibility data of the school the participants *would have attended* if the busing policies were not in effect. This calculation **must** be based on what the enrollment data would show **if the students were not reassigned**.

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<sup>17</sup> At-risk sites at emergency shelters are excepted from area eligibility requirements. See *At-risk Programs at Child Care Center, Emergency Shelters, or Residential Child Care Institutions* for more information.

**EXAMPLE:** If a non-school site is near a school that is not area eligible, but the Program participants consist of students that are being bused from another attendance zone, if the sponsor is able to determine that the school in the area where the children are bused from would be area eligible *if the students were still attending that school*, then the site could be considered area eligible.

**NOTE:** The same method of determining site eligibility must be used for all sites participating under that CE to avoid duplicate counting.

In areas that do not have specific assigned schools but allow children to enroll in any of the area schools (school choice), At-risk programs located in school buildings should use the free and reduced price enrollment data from the school they are located in to determine area eligibility. Non-school sites wishing to operate an At-risk program in areas without defined attendance zones should reach out to their Education Service Center to determine the options for being able to operate an At-risk program.

## **2543 At-risk Programs at Other Facilities**

### **2543.1 At-Risk at Traditional Child Care Centers**

Traditional or for-profit child care centers already participating in CACFP who want to add the At-risk afterschool component must:

- Meet all eligibility requirements for At-risk afterschool sites.
- Provide an eligible afterschool program that is separate and distinct from their regular child care services. **Meals served in excess of two meals and one snack per child per day cannot be reimbursed.** As such, if enrollees in child care are receiving the maximum number of CACFP meals during the day, meals served to those same children in the At-risk program on the same day are ineligible for reimbursement.
- Ensure the afterschool program is open to all children in the community and not just those already enrolled at the center.

### **2543.2 At-Risk at Emergency Shelters**

Emergency shelters may operate At-risk centers and **are exempt from area eligibility requirements**. However, the rules about the maximum number of meals per day per child still apply. Emergency shelters can serve three full meals (breakfast, lunch, and supper) or two meals and one snack per child per day.

By adding an At-risk center at the shelter, CEs must ensure that if children living at the shelter are also participating in the At-risk program, they are not receiving more than three CACFP meals, or two meals and one snack, total per day. Shelters must be able to distinguish between suppers and/or evening snacks served to children normally at the shelter versus those served to residents participating in the At-risk program.

Note that any At-risk programs offered at an emergency shelter must adhere to all At-risk requirements (with the exception of area eligibility). For example, At-risk programs at emergency shelters must not serve CACFP meals outside of the regular school year.

### 2543.3 At-Risk at Residential Child Care Institutions

Generally, programs that serve only residential children (with the exception of homeless shelters) are not eligible to participate in CACFP. **However**, a residential facility may be eligible to operate an At-risk program if it offers an afterschool education or enrichment programs for non-residential children and if the At-risk site meets all eligibility requirements described above, including area eligibility requirements.

### 2544 Organized At-risk Enrichment Activities Guidelines

At-risk programs must provide regularly scheduled, structured, and adult-supervised educational or enrichment activities that are available to all children in attendance at the program. Programs may be drop-in or have a pre-defined enrollment.

Regulations explicitly prevent At-risk programs limited to participants in organized athletic or scholastic programs involved in interscholastic or community-level competitive activities (for example, youth sports leagues such as “Babe Ruth” and “Pop Warner” sports leagues, community soccer and football leagues, area swim teams, and University Interscholastic League (UIL) team practices).

However, after-school programs that include supervised athletic activity may participate, provided that they do not limit membership based on a child’s ability. Additionally, children participating in competitive sports or interscholastic activities after school are eligible to receive At-risk meals as long as a more inclusive enrichment program is occurring at the site.

Beyond the exclusion of competitive and interscholastic programs, At-risk programs **may** impose limits on participation based on:

- **Space or security concerns** (for example, a school program could limit participation to students enrolled at the school or within the district, or a licensed center might limit participation based on capacity).
- **The nature of the enrichment:** Programs may target children of certain ages or certain needs, such as children with disabilities or academically gifted children (as long as the activity does not involve an interscholastic or community competitive activity).
- **Pre-defined enrollment criteria** (for example, tuition for participation): While programs can charge tuition, there can be no separate charge for the food service, and the Program should consider the effect that tuition charges may have on the ability of needy children to participate.

**NOTE:** Children who attend the program but do not participate in the enrichment cannot be denied a meal.

Effective Program Year 2027, sponsors of **unaffiliated** At-risk sites must ensure that the organization signing the Permanent Agreement is legally affiliated with the business or organization associated with the location of service and is responsible for either directly providing the enrichment or properly procuring a vendor to provide the enrichment, and that the enrichment qualifies as a legitimate At-risk program that meets the criteria described above.

A sponsor operating an **affiliated** site at a location with which it is not legally affiliated is responsible either for providing/procuring the enrichment directly or securing a Memorandum

of Understanding (MOU) from the business or location at the site that clearly lists that organization's responsibility to provide a compliant enrichment program and the nature of that enrichment program.

For example, if a private non-profit is operating an affiliated site at a school but is relying on the school to provide the enrichment program, the school must sign an MOU with the sponsor that lists its responsibilities to provide a structured enrichment program while food service is occurring and the nature of that enrichment program.

For each At-risk site application, sponsors must provide documentation that clearly describes the At-risk enrichment program and how it meets all requirements in this section. CEs concerned about the eligibility of their At-risk program should consult with their Education Service Center to determine if the Program will be allowable.

**NOTE:** Expenses for procuring or providing enrichment are not an allowable use of CACFP funds **unless** the enrichment directly benefits the food program (for example, if the enrichment is a gardening club that grows food to be served in a reimbursable meal).

## 2550 Outside-School-Hours Care Center (OSHCC) Provisions

Outside-school-hours care centers must meet the following eligibility requirements:

- **Documentation:** Unlike At-risk programs, meals served at OSHCC programs are reimbursed based on income eligibility of the child's household; therefore, CEs operating an OSHCC must maintain approved eligibility applications for all enrolled children (free, reduced-price, and paid categories). See *Exemptions to HHSC Licensing Requirements* above to determine if a license should be provided.
- **Primary purpose:** OSHCC programs must operate with child care as the primary purpose. Programs offering only food service are not eligible.
- **Structured program:** OSHCCs must provide planned, supervised, and regularly scheduled activities at consistent days and times weekly. **TDA may request 1-2 week program schedules and operation times to verify compliance.**
- **Open participation:** OSHCCs must not restrict participation based on specific skills or interests.

**EXAMPLE:** A Boys' Club cannot limit participation to only basketball or swimming team members.

Non-residential public and private nonprofit schools operating OSHCCs must meet these same requirements. Programs at schools must be distinct from any extracurricular programs organized primarily for scholastic, cultural, or athletic purposes.

## 2560 Adult Day Care Center Provisions

Independent and sponsored adult day care centers must meet the following eligibility requirements:

- **Service type:** Provide non-residential adult day care services, either directly or under the direction of an affiliated organization:
  - To functionally impaired adults or persons 60+ years old

- In a group setting outside their homes or group living arrangements<sup>18</sup>
- On a less than 24-hour basis.
- **Programming:** Provide a structured, comprehensive program with various health, social, and support services through individual plans of care.
  - **For functionally impaired adults:** Offer community-based group programming designed to meet needs through individual care plans

Individuals in *residential institutions* (e.g., nursing homes) are not eligible for CACFP benefits. While these individuals may attend an adult day care center, the center cannot claim reimbursement for meals served to them. Centers must maintain documentation verifying that institutionalized attendees do not receive CACFP-reimbursed meals.

### 2570 Emergency Shelter Provisions

Emergency shelters are any facility whose primary purpose is to provide temporary shelter to homeless families with children. In most cases, an eligible shelter is one that combines overnight facilities with day programs, such as congregate meal services, for homeless children and their parents or guardians. Emergency shelters:

- Must provide temporary shelter and food services to homeless children; and
- Must meet applicable State and local health and safety standards.

Note that not all temporary living situations are eligible for CACFP. For example, transitional apartments, independent living facilities, single room occupancy (SRO) residences (such as SRO hotels that provide a small private room for one person), and housing units where families double or triple up with friends or relatives are generally not eligible for CACFP.

### 2580 Day Care Home Provider Provisions

Day care home providers must be licensed by state authorities to provide non-residential participant care. Providers are classified by Tier based on:

- The location of the day care home (area eligibility based on school or census data).
- The income of the provider.
- The household income of each participating child.

Based on the above information, sponsors must determine if a provider can receive Tier I or Tier II reimbursement. Refer to Section 4200 of the CACFP Handbook for more information on provider Tier classification and reimbursement requirements.

Sponsors of day care homes must ensure providers meet the requirements below:

- **Enrollment of Non-Residential Child(ren):** CEs cannot submit a provider application and documentation to TDA *until* the home has at least *one enrolled, non-residential child*

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<sup>18</sup> Group living arrangements refer to a private residence housing one or more individuals who are primarily responsible for their own care while maintaining community presence, though they may receive on-site monitoring. These communities may or may not receive federal, state, or local subsidies.

Sponsors can begin the application process with the provider, but must not submit a site application until the provider submits to the sponsor valid enrollment documentation.

- **Private Residence Requirement:** Day care homes must be operated from *a single* provider’s private residence, another person’s residence, or a rented or unoccupied private residence

Day care homes operated from commercial properties (e.g. churches, schools, corporations) are ineligible to participate in the CACFP.

- **Corporation or LLC Restrictions:** While some providers may choose to incorporate or form a limited liability corporation (LLC), sponsors may only enter into agreements with providers as *individuals*. While a corporation or LLC may operate one or more day care homes, this will not affect CACFP participation. For those providers who have incorporated or formed LLCs:
  - Each home must be operated by a different individual provider.
  - The sponsoring CE must enter into an Agreement (*Permanent Agreement Between Sponsoring Organization and Day Care Home Provider(s)*) with each provider as an *individual*, not the corporation or LLC.
  - If an HHSC license is issued to a corporation or an LLC (i.e., the provider’s name is not listed under “Operation Name”), the CE must also submit an HHSC screenshot showing the “Administrator/Director Name” with the license:
    - This must be the person(s) named on the Agreement
    - See *Section 11000 Resources* for a sample of the HHSC screenshot
- **Multiple Providers from One Residence:** If more than one provider operates from a single residence, all providers licensed at the same residence must:
  - Care for different children
  - Participate in the CACFP under one sponsor

## **2600 Site/Provider Application Process**

While this section applies primarily to sponsoring CEs (i.e., sponsors), independent CEs should use guidance in *Making Changes to Sites/Providers* to submit changes to their application and *Open Enrollment* if deciding later to apply for CACFP participation under sponsorship.

### **2610 Adding, Updating, and Terminating Sites/Providers**

Sponsors are responsible for managing the application process and signing Permanent Agreements with all sponsored sites/providers as described in this section. Sponsors must also ensure sites/providers meet all eligibility, licensing, and documentation requirements. This section also describes the open enrollment process (the only time *existing* sites/providers may sign Agreements with new sponsors) and transfers of sites/providers between sponsors.

TDA recommends CEs submit new and updated site applications as early in the month as possible to ensure a timely review process. TDA will request incomplete documentation or notify CEs of incomplete information before approving requests.

**NOTE:** If a sponsor submits incomplete or incorrect information or requests outside of the application system, the effective date of the request could be delayed by a month or more **after** the request is submitted.

### Reminders:

- Sites/providers and associated staff disqualified or excluded from participation in a Child Nutrition Program may not participate in the CACFP.
- Sites/providers who lose their license, certification, or registration may not be claimed or participate in the CACFP. Before submitting applications or monthly claims, CEs must ensure sites are licensed, registered, or meet the exemption requirements outlined in this section (see *Exemptions to HHSC Licensing Requirements*).

### 2611 Adding Sites/Providers

This section details the requirements sponsoring CEs must follow before submitting sites/providers for TDA approval, including conducting a pre-approval visit, executing an Agreement with sites/providers, and submitting the application and all required documentation within the online Application system. Sponsors must ensure all sites/providers meet the specific eligibility requirements outlined in this section of the CACFP Handbook.

Sponsors can add *new* sites/providers anytime during the Program Year except during the first 12 months of operation. New sponsoring organizations may not add new providers or **unaffiliated** sites during the first 12 months of operation beyond what was approved at the time of their application approval, nor may they expand the scope of operations at those sites during the first 12 months (for example, serving additional meal types, increasing the estimated number of meals served, or adding days of service at approved sites).

Additionally, sponsors may not add new affiliated sites at locations with which the sponsor is not legally affiliated, or expand the scope at such sites, during the first 12 months of operation. For example, a non-profit organization with a Memorandum of Understanding (MOU) to operate affiliated At-risk sites at five schools may not expand operations to additional schools during the first 12 months. However, a School Food Authority that contracts directly with TDA to operate the At-risk program may add sites at additional schools within its jurisdiction.

After TDA has conducted its first review (within the first 12 months for new sponsors), if no serious management problems are detected, sponsors can add new sites/providers and expand the scope of existing sites, as applicable, beginning after 12 months of operation.

However, sponsors cannot add sites/providers already participating in the CACFP under another sponsor, unless it is open enrollment (see *Open Enrollment*) or they have received prior approval from TDA (see *Transfer Requests*).

Before adding child care centers or adult day cares, sponsors must inform unaffiliated sites<sup>19</sup> they can apply directly to TDA for CACFP participation as an independent CE.

**NOTE:** Day care homes can only operate CACFP under sponsorship.

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<sup>19</sup> Unaffiliated sites are legally distinct from the sponsor CE. Unaffiliated sites operate at a legally unaffiliated location and rely on staff associated with that location to operate the program.

### **2611.1 Pre-Approval Visit**

Sponsors must conduct pre-approval visits before adding sites and/or providers within the online Application system. The goal of a pre-approval visit is for the sponsoring CE to ensure sites/providers understand Program benefits, meet all eligibility requirements, and can provide food service that complies with Program requirements.

CEs must use TDA's applicable *Pre-Approval Visit* form<sup>20</sup> available on the CACFP Administration/Forms page of [SquareMeals.org](http://SquareMeals.org), or an alternative, to document pre-approval visits.

#### **EXCEPTIONS:**

- School Food Authorities (SFAs) are not required to conduct pre-approval visits to school sites currently participating in the NSLP.
- Current SFSP sponsors in good standing with TDA (neither in the serious deficiency process for SFSP nor owing debt to TDA) are not required to conduct pre-approval visits to sites currently participating in the SFSP.

Sponsors are responsible for full administration of Program operations at sponsored sites/providers. That responsibility includes returning site/providers' unearned funds (i.e., disallowances) to TDA and overseeing the full correction of program violations committed by their sites/providers. Thus, sponsors, before signing a Permanent Agreement with a site/provider, should evaluate sites/providers for VCA performance standards to ensure their capabilities for meeting Program requirements and returning unearned funds.

### **2611.2 Agreement Between Sponsor and Site/Provider**

Before submitting their site/provider application within the online Application system, sponsors must sign an agreement with their sites/providers. TDA makes available the following agreements on [www.SquareMeals.org](http://www.SquareMeals.org) (CACFP → Administration and Forms):

- *Permanent Agreement Between Sponsoring Organization and Child Care Site or Adult Day Care Site*: This agreement applies to traditional sponsor-site relations, in which the CE passes funds through to sites for the operation of the nonprofit food service.
- *Permanent Agreement Between Sponsoring Organization and Child Care Site or Adult Day Care Site – Sponsoring Organization Provides Meals and Snacks*: This agreement applies to sponsors who also serve as the meal service vendor and conduct the nonprofit food service for the site. Sponsors in this case retain 100% of meal reimbursements.
- *Permanent Agreement Between Sponsoring Organization and Day Care Home Provider(s)*: This agreement applies to all sponsor and provider relations, in which the CE passes funds through to providers for Program operation.

After conducting the pre-approval visit and executing the agreement with the site/provider, sponsors may complete the site/provider application and budget detail within the online Application system.

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<sup>20</sup> *H1606-P* for Child Care Centers, Emergency Shelters, and Outside-School-Hours Care Centers, *H1606-P-AT* for At-risk sites, *H1602-P* for Adult Day Cares, and *H1607-P* for Day Care Home Providers.

### 2611.3 Required Documentation

When adding sites/providers, sponsoring CEs must also submit the following documentation to TDA:

- A revised *Contracting Entity Budget Detail* (in the Application system) to reflect new sites/providers.
- *Site/Provider Application* (in the Application system) for each site/provider.

**NOTE:** When adding unaffiliated sites or providers, sponsors must enter the dates of signatures for both the sponsor and site/provider representatives from their Permanent Agreement on the application. CEs must provide to each sponsored site/provider a copy of the original application system *Site/Provider Application* and the applicable Permanent Agreement between the sponsor and the site/provider.

- Identifying information for each site/provider: name, address, phone number.
  - Day care home provider address information must include residential street address or rural route and box number. TDA will only accept post office box numbers if accompanied by specific, detailed directions to the provider's residence.
- Qualifying Information:
  - **Sites/Centers:** Licensure/certification (or license exemption), tax-exemption (if applicable), percentage of Title XIX and/or XX/free or reduced-price eligibility (if for-profit)

**NOTE:** Sites exempt from licensing must submit proof that they meet local health and safety requirements.

- **Day care home providers:** Licensure/registration<sup>21</sup>

**NOTE:** See *Licensing and Registration* above for licensing documentation requirements.

- **Specific At-Risk Site Documentation:**

- Documentation of area eligibility
- Documentation of educational or enrichment program
- For unaffiliated sites:

- Copy of the Permanent Agreement between the sponsor and organization providing/procuring the afterschool enrichment and food at the site.

- If a non-SFA organization plans to operate an affiliated site on a school campus, a signed agreement with the appropriate district office/official for each site that includes:

- A confirmation of permission to operate the Program on campus

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<sup>21</sup> Eligible providers must be licensed or registered by the Texas Health and Human Services agency (HHSC). Note that "listed" homes do not meet the minimum child care standards for CACFP and are ineligible to participate.

- All school campuses/sites submitted for approval
- Programs allowed on each campus/site
- Programs operated by the school if the sponsor is not providing the enrichment program
- Agreement's effective date

**NOTE:** If a non-SFA organization proposes to provide the same services already offered by a school district, the school district will receive priority according to program rules and regulations.

- For **affiliated** sites operating At-risk programs at locations not legally affiliated with the sponsor, a Memorandum of Understanding (MOU) (see *Memorandum of Understanding* below) between the sponsor and the location of service. Remember that at affiliated sites, all food and labor is provided by the sponsor, and sponsor staff must be onsite to monitor service and manage food service staff at each location and each service.
- Operational Information:
  - **Sites/Centers:** Meal preparation method, meal service types/times, days/hours of operation, number of enrolled participants in each eligibility category (At-risk sites and emergency shelters excluded), pricing policies, if applicable<sup>22</sup> (At-risk sites and emergency shelters excluded)
  - **Day care home providers:** Meal service types/times, days/hours of operation, number of non-residential children enrolled, and provider's choice for distributing income applications and receiving reimbursement

### Memorandum of Understanding for Affiliated Sites

The Memorandum of Understanding (MOU) is a **signed agreement** by both the signatory authority at the physical location of service and the **At-risk sponsor** overseeing the food service at the location. The MOU must include at a minimum:

- A statement of understanding that the owner/manager of the physical location agrees to allow CACFP operations and afterschool enrichment to be conducted on its premises.
- A statement that the sponsor is responsible for all aspects of the CACFP food service.
- If the sponsor is **not** providing/procuring the enrichment, an attestation by the business/location that it agrees to provide a structured, adult-supervised enrichment program during the meal service; the MOU must completely describe the nature of the enrichment so that both the sponsor and TDA can verify that it is compliant.

Sponsors of all unaffiliated sites (not including day care homes) must obtain from their sites and ensure their sites maintain copies of the following:

- Articles of Incorporation, Assumed Name Certificate, or Certificate of Formation
- IRS 501(c)(3) tax-exemption or other IRS-provided proof of non-profit status (unless eligible as a for-profit center)

<sup>22</sup> A pricing program is one in which a child care center, adult day care, or outside-school-hours care center charges separately for meals based on a participant's eligibility status. Refer to Section 4100, *Participant Enrollment and Eligibility at Independent and Sponsored Centers* for more information on pricing and non-pricing programs and policies.

- If applicable, documentation of a for-profit center’s eligibility (see *For-profit Sites* above for more information).
- Organizational chart
- Governing Body Awareness

CEs must provide these documents to TDA when requested. TDA will review the completeness and accuracy of these documents during administrative and provider reviews.

#### **2611.4 Claiming Start Date**

TDA can approve sites to claim back to the beginning of the month prior to site application submittal. However, sponsors and independent centers may not claim reimbursement, and TDA will not approve CACFP participation, before the *latest* of the following dates:

- Effective date of the site’s/provider’s license/registration
- Date of pre-approval visit (for sponsored sites/providers)
- For affiliated At-risk sites operating at a location legally unaffiliated with the sponsor, the signature date on the MOU
- For providers and unaffiliated sites:
  - Beginning effective date on the Agreement
  - Latest signature date of the site/provider or CE on the Agreement

**EXAMPLE:** A sponsor submits a site’s application on March 31. If the Agreement’s effective date is February 2, 2025, the site/provider’s license is effective February 15, 2025, and the pre-approval visit was conducted on February 20, 2025, then the earliest date of claim approval would be February 20, 2025 (the date of the pre-approval visit).

**NOTE:** CEs may not claim meals for sites/providers who do not comply with the meal pattern or other Program requirements, even if TDA approves the site’s/provider’s CACFP participation and claim. CEs may not allow "grace periods" for new sites/providers to meet requirements. TDA may place CEs who make special provisions for new sites/providers in the serious deficiency process.

#### **2611.5 Denials**

TDA will deny site/provider participation in the CACFP for any of the following reasons:

- The site/provider is already participating with another sponsoring CE (except during the open enrollment period or unless the site/provider is approved for a good cause transfer (see *Open Enrollment* and *Transfer Requests* in this section)).
- An unaffiliated site is managed by an organization **not legally affiliated** with the business or organization operating at the location of service (**effective Program Year 2027**).
- The site/provider requested a good cause transfer (see *Transfer Requests*), but they did not submit the transfer approval letter from TDA with the application.

- The site, responsible principal(s), responsible individual(s), and/or provider has been declared seriously deficient and is/are on the National Disqualified List (NDL) or the Texas Excluded SFSP List (TEXSL).
- The site/provider is currently participating in the Program with a sponsor and signs the Agreement before June 1 or after September 30.
- The site/provider signed an Agreement with multiple sponsors between June 1 and September 30.
  - In this case, the Agreement executed on the earliest signature date is legally binding.
- A copy of the site's/provider's license, certification, or registration was not submitted, unless the site is exempt from licensing requirements.
- The site/provider is otherwise ineligible to participate.

### **2612 Making Changes to Sites/Providers**

To make a change to a site/provider (e.g., changing meal times), sponsor and independent CEs must submit:

- An updated *Site/Provider Application* within the online Application system
- Any additional documentation needed
  - See *Licensing and Registration* in Section 2000 for additional requirements for changes in licensing or operations

**EXAMPLE:** To change the site's address, the CE must submit a copy of the new license reflecting the address change and approval to operate at the new location. If the site is exempt from licensing, the CE must submit documentation of compliance with health and safety requirements.

Sponsoring CEs do not need to obtain the signatures of unaffiliated site representatives or providers for changes made on behalf of the site/provider. However, CEs must maintain and provide sites/providers with a copy of the updated application with changes indicated. TDA will verify compliance with this requirement.

### **2613 Terminating Sites/Providers**

Sponsoring CEs may terminate (i.e., close) a site or day care home within the online Application system. They must submit the following information:

- For sponsors of:
  - 25 or more child care centers or adult day cares, not including sites being terminated: *Sponsoring Organization Monitoring Staff Information* (in the online Application system)
  - 50 or more day care homes, not including providers being terminated: *Monitoring Staff Information* (in the online Application system)
- A revised *Contracting Entity Budget Detail* (in the online Application system) to reflect terminated sites/providers.

## 2614 Resuming Site/Provider Participation

If a sponsored site's/provider's Agreement has been terminated by mutual consent, and the site/provider wants to resume CACFP participation in the *same Program Year*, then they must participate with the same sponsor, unless:

- TDA approves a “good cause” transfer to another sponsor (See *Transfer Requests*)
- The child care center or adult day care applies to participate directly with TDA as an independent contracting entity (CE)

If a site/provider wants to resume participation in the same Program Year with the same sponsor, the sponsor must ensure the site's/provider's eligibility and submit the items required in *Adding Sites/Providers*.

## 2615 Open Enrollment

The open enrollment period is June 1 through September 30, except for some At-risk sites (see Exceptions below). New sites/providers can sign Agreements with sponsors anytime during the Program Year. However, existing sites/providers cannot sign Agreements with new sponsors unless it is during open enrollment or they have received prior approval from TDA (see *Transfer Requests*).

An Agreement signed during the open enrollment period is effective at the beginning of the following Program Year (October 1) except for some At-risk sites as noted below. When a site/provider has signed an Agreement with a CE, they may not transfer to another CE without prior approval from TDA.

**EXCEPTION FOR AT-RISK SITES:** The open enrollment period for At-risk sites is June 1 through July 31 of each Program Year (except At-risk sites operating at a traditional child care center or emergency shelter operating CACFP during the day, which adhere to the standard window noted above). An Agreement signed during this period is effective August 1 of the same Program Year.

Under no condition may a site/provider participate under more than one sponsor during a given month. Outside of the open enrollment period, sponsors must ensure prospective sites/providers are not already under the sponsorship of another CE before adding them.

If a site/provider signs an Agreement and applies for CACFP participation with multiple sponsors during open enrollment, the Agreement executed on the earliest signature date of the CE and site/provider representative(s) is legally binding.

**NOTE:** Sponsors cannot require newly signed Agreements from **their own currently sponsored** sites/providers during open enrollment to prevent open enrollment transfers.

Note that child care centers and adult day cares may terminate their Agreements with sponsors and apply to participate directly with TDA as independent centers at any time during the year.

## 2616 Transfer Requests

Before open enrollment, sites/providers currently participating in the CACFP cannot enter into Agreements for the following Program Year with another sponsor. However, at *any time during the Program Year*, if a site/provider can document “good cause” for transferring and TDA approves it, they may enter into an Agreement with another sponsor.

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

- In writing, request and receive prior approval for the transfer.
- Demonstrate “good cause” for the transfer request.
- Submit a letter to their current sponsor stating the intention to terminate the Agreement and the effective date of termination.

Sites/providers must demonstrate one of the following “good causes” for transfer:

- The sponsor denies the site/provider access to the CACFP.
- The sponsor reduces the CACFP reimbursement for sites/providers.
  - **EXAMPLE:**
    - The sponsor does not allow the site/provider to claim suppers or weekend meals because the sponsor does not want to monitor those meal services.
- The site/provider relocates outside of the sponsor’s service area.
- Any other good cause determined by TDA.

Occasionally, sponsors will cease CACFP participation before the Program Year ends. In this case, TDA will notify eligible sites/providers that they are approved to transfer to another CE.

**NOTE:** Sites/providers who fail to request transfers properly may delay claim processing or receive a reduced reimbursement.

When approving a “good cause” transfer, TDA will specify the earliest date(s) on which a new Agreement may be signed or become effective. Sites/providers may only use this granted approval once and may not use the same approval letter to transfer between multiple CEs.

The sponsor *adding* the transferring site/provider in the same Program Year must:

- Submit to TDA the termination and transfer approval letters in addition to all other required documentation (see *Adding Sites/Providers*)
- Use non-Program funds to pay costs incurred while recruiting sites/providers of another CE *before June 1* (the start of open enrollment) or *the date of TDA’s transfer approval*. At a minimum, documentation of this requirement must include:
  - Itemized accounts of recruiting costs, including sources of non-Program revenue
  - The first date of contact with the added site/provider

## 2617 Site/Provider Appeal Procedures

Sponsors must develop appeal procedures that:

- Give sites/providers an opportunity to appeal adverse action(s) negatively impacting their CACFP participation.
- Apply to all sites/providers under their sponsorship.

The appeal official(s) must be independent and impartial (i.e., no involvement in related adverse action(s) or financial interest in appeal outcome). Although the appeal official(s) may be an employee or board member of the CE's organization, he/she must not have been involved in the action that is the subject of the appeal or have direct personal or financial interest in the outcome of the appeal.

See Section 8000, *Denials, Terminations, and Appeals*, for additional information.

## 2700 Ineligibility and Disqualification

Sponsors and sites/providers are ineligible to participate in the Program if:

- In the past seven years:
  - Any member of the organization's governing body, agent, consultant, volunteer, or employee was convicted of any activity indicating a lack of business integrity<sup>23</sup>.
  - The organization or any principal had participation in a publicly-funded program terminated for violating program requirements, with eligibility not yet reinstated (*See Publicly Funded Programs below for more information*).
- The organization or any principal is currently on the National Disqualified List (NDL) or the Texas Excluded SFSP List (TEXSL).
- The organization fails to meet the eligibility requirements described in above sections.
- The organization does not meet any other criteria as determined by TDA.

## 2710 Disqualification

Organizations and individuals on the following lists are not eligible to participate as CEs, sites, day care home providers, or employees performing Program activities:

- **National Disqualified List (NDL):** USDA-maintained list of organizations and individuals disqualified from CACFP
- **Texas Excluded SFSP List (TEXSL):** TDA-maintained list of organizations and individuals excluded from SFSP

Additionally, listed individuals may not hold any management (principal) positions within an organization, regardless of Program activity involvement. Management positions include board members, directors, owners, co-owners, and partners.

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<sup>23</sup> A lack of business integrity includes fraud, antitrust violations, embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, receiving stolen property, making false claims, obstruction of justice, or any other activity indicating a lack of business integrity.

Organizations and individuals remain on these lists for seven years after disqualification **and**, as applicable, until any outstanding debts related to unallowable expenses or unearned reimbursement have been repaid to TDA. Disqualified CEs with all debts paid may request for an early removal from these lists;<sup>24</sup> TDA, in consultation with USDA, will determine if all serious deficiencies leading to disqualification have been corrected.

CEs must check these lists:

- Before hiring employees for management positions or CACFP activities;
- Before signing agreements with sites/providers; and
- Periodically to ensure staff and sites/providers were not added after hiring or sponsorship began.

Lists can be accessed through the following:

- CEs can request NDL access at <https://snp.fns.usda.gov/ndlweb.Welcome.action>
- CEs can access USDA's NDL and TDA's TEXSL in the "Download Forms" section in TX-UNPS and the "Child and Adult Care Food Program" page of SquareMeals.org.

## **2720 Background Checks**

TDA may conduct background checks on principals during the application process or at any time during Program participation to identify disqualifying criminal history. Disqualifying criminal convictions in the seven years before the application or background check dates that indicate a lack of business integrity include:

- Fraud
- Anti-trust violations
- Embezzlement
- Theft
- Forgery
- Bribery
- Falsification or destruction of records
- Making false statements
- Receiving stolen property
- Making false claims
- Obstructing justice

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<sup>24</sup> TDA will not consider removal requests from organizations whose governing body has not changed since disqualification and RPIs disqualified for submitting false information on the application. False information includes, but is not limited to, a determination that the CE has concealed a conviction for any activity that occurred during the past seven years and that indicates a lack of business integrity. A lack of business integrity includes fraud, antitrust violations, embezzlement, theft, forgery, bribery, falsification, destruction of records, making false statements, receiving stolen property, making false claims, obstruction of justice, or any other activity indicating a lack of business integrity.

Organizations must certify the truthfulness of the information submitted with Program applications. Failure to disclose a qualifying criminal history will result in serious deficiency process placement. See Section 10000, *Serious Deficiency*, for details.

### **2730 Required Identification**

For each principal, organizations must submit:

- A government-issued photo ID
- Proof of residential mailing address

CEs must submit updated information for new principal(s) to TDA if organizational leadership changes during Program participation.

Sponsoring CEs must obtain and maintain this documentation for principals of sponsored sites and make them available to TDA upon request.

**EXCEPTION:** Public institutions (governmental, military, or American Indian reservations) are exempt from submission of these documents.

### **2731 Acceptable Government-Issued IDs**

- Driver's license or personal identification card issued by Texas Department of Public Safety or another state's agency (can be expired)
- Military identification
- Current, valid US Passport
- Other TDA-approved documentation

### **2732 Acceptable Proofs of Residence**

- Current driver's license
- Official mail addressed to individual from a utility provider, government agency, or bank
- Current voter registration card
- Current lease executed by individual
- Other TDA-approved documentation

### **2733 State Government Privacy Policy**

State Government Privacy Policy legislation grants individuals the right to review personal information maintained by state agencies and request correction of inaccuracies. TDA must consider correction requests but retains the right to determine whether requested corrections are appropriate.

TDA includes this privacy policy at the bottom of all forms requesting personal information about specific individuals and on the TX-UNPS login page under "TDA Disclaimer."