

Section 4500

Program Management and Monitoring

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.

Date of Edit	Content/Purpose	Subsection(s)
March 2026	Consolidated content from all four previous handbooks.	N/A
	Reorganized, rewrote, and/or reformatted information throughout the section for clarity.	Throughout
	Added that contractors hired by a CE must be trained as well as staff.	4512
	Added that financial management training should be provided to any sites that must maintain a non-profit food service account.	4512
	Aligned Section 4522, <i>Review Areas</i> with most current Site/Provider Review Forms, including expanded guidance on assessing meal service and nonprofit food status.	4522
	Added clarifying note that it is optional for day care home providers to enter quantities on a meal production record.	4522.2
	Clarified that policies and procedures must not exclude or limit participation, benefits, or activities based on race, color, national origin, sex, age, or disability and that if the need exists, the site/provider must take reasonable steps to provide all CACFP-related materials, both orally and in writing, in languages other than English.	4522.3
	Clarified that sponsors must ensure that sites/providers are collecting racial/ethnic data of enrollees or participants at least once annually.	

March 2026	Established that when observed participation is less than 80% of the average attendance calculated in the 5-day reconciliation, sponsors must conduct further research to reconcile the discrepancy.	4522.6
	Added clarification and additional detail around the required financial review of sites/centers.	4522.8
	Added that sponsors of at-risk sites must evaluate the enrichment program occurring onsite to ensure it meets all requirements.	4522.9
	Clarified requirements for scheduling unpredictable site reviews.	4523.1
	Clarified how monthly meal counts can be calculated at sites without pre-defined enrollment.	4530, 4531
	Added clarity to criteria for what would initiate the Household Contacts process.	4540
	Added additional documents to be maintained by CEs and sites	4553
	Added clarity around the use of the Building for the Future Flyer and how it satisfies the parental notification requirement.	4561

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4500 Program Management and Monitoring

In signing an Agreement with TDA, contracting entities (CEs) accept final administrative and financial responsibility for management of a proper, efficient, and effective food service operation at their site and any sponsored sites/providers.

This section outlines additional management responsibilities of CEs and sponsors, including staff and site/provider training, distributing information to participants, and maintaining Program documentation. For sponsors, these responsibilities also include conducting monitoring reviews of their sites/providers. Lastly, this section guides how CEs may continue operating the CACFP during disasters or emergencies.

4510 Training, Education, and Technical Assistance

4511 Contracting Entity Training

All CEs must train their own staff before assuming any Program duties and annually thereafter. CEs must document training procedures in their management plan, maintain records of all training activities, and retain this documentation. Topics for CE staff training include:

- Civil Rights
- Claim Preparation and Submittal
- Financial Management/Procurement
- Budgets
- Recordkeeping
- Site/Provider Eligibility
- Participant Eligibility
- Enrollment/Attendance Requirements
- Meal Service Operations
- Meal Preparation
- Site/Provider Monitoring

TDA may require CEs to attend and/or conduct additional training during the Program Year. In this case, TDA will notify CEs of mandatory scheduled trainings.¹ TDA cannot guarantee that Program training *not* sponsored by TDA contains current or correct information. CEs should contact TDA if they have questions about information received or provided during training.

4512 Site/Provider Training

CEs, including independent centers, must also provide training for new and existing site/provider staff, **including contractors (e.g., vendors)**, on the following key CACFP activities, as applicable, *before* participating in CACFP and annually thereafter:

- Program Meal Pattern
 - Applicable participant meal pattern

¹ TDA uses federal funds to produce training materials for TDA-sponsored events and for event attendees to reference and/or use in training their staff. No part of TDA's publications may be reproduced in any form or by any means for profit, or for any purpose other than use in USDA FNS programs.

- Serving sizes for age groups
- Creditable foods
- Meal service styles
- Meal modifications for disability or non-disability reasons
- Menu planning
- Meal Counts
 - Daily (“point-of-service” for child care centers and adult day cares)
 - Weekly
 - Monthly
- Claims Submission
 - Due date
 - Late claims
 - Adjusted claims
- Claims Review Procedures
 - Review elements
 - Adverse action (including the serious deficiency process)
 - Appeal rights
- Recordkeeping Requirements
 - Daily, weekly, monthly forms
 - *CACFP Meal Benefit Income Eligibility Form*, and *Letter to Households*, if applicable
 - Annual enrollment information, if applicable
 - Meal production records
 - Attendance records
 - Financial records
 - Record retention
- Financial Management (not applicable to day care home providers)
 - Allowable and unallowable costs
 - Maintaining a non-profit food service account
- Reimbursement System
 - Claiming percentages, if applicable
 - Day care home tiering system, if applicable
 - Administrative withholding, for child care centers and adult day cares

- USDA reimbursement rates, if applicable
- Payment schedule
- Civil Rights²

4513 Training Implementation

If new CE or site/provider staff join during the Program Year, CEs must ensure those performing key CACFP activities are trained *before* starting Program duties. CEs must develop a plan to train new CE and site/provider staff throughout the year. This plan can include CEs providing training on an as-needed basis or developing a training plan with sites/providers where site/provider employees train new staff. CEs must comply with documentation requirements for both scenarios. If site/provider personnel conduct training, CEs must verify compliance with training requirements during monitoring reviews.

NOTE: CEs failing to comply with training requirements may face disallowances, unallowable costs, termination, and/or placement of the CE and/or site/provider and/or its responsible principals and individuals in the serious deficiency process.

CEs should plan and conduct training that follows the guidelines below:

- **Differentiation for Experience Levels and Duties:** While some repetition is necessary to ensure continued Program compliance, CEs must plan training appropriate for the different experience levels and duties of CE and site/provider staff. For example, CEs should not provide the *same* training to both experienced and inexperienced staff.
- **Ensuring Relevant Training Topics:** Although CEs must include all applicable topics described in this section in annual training, they may spend more time on some topics and merely review others. There is no requirement for time spent on training. CEs *must always* address topics in which deficiencies have been identified.
- **Flexibility of Training Mode:** CEs may conduct training in various modes to meet staff needs, if properly documented and meeting all requirements. These modes may include classroom style, on-site, virtual (provided they meet the verification requirement below), or other innovative training techniques.
- **Verification for Virtual Training:** CEs must ensure that all video, web-based, and/or other independent training approaches include checks to verify that staff received the training (i.e., pre- and post-tests, interactive activities, and/or exercises).
 - Though CEs may use electronic signatures to verify training completion in addition to another verification method listed above, an electronic signature as attestation is not sufficient by itself as proof that staff received the training.

4514 Optional Physical Activity and Technology Usage Education

Promoting physical activity and limiting technology usage supports CACFP's goals of promoting participants' wellness, healthy growth, and development. Therefore, TDA encourages CEs to

² TDA provides Civil Rights training materials at www.SquareMeals.org ("F&N Resources" → "Training" → "Online Education and Self Study" → select English or Spanish)

educate staff, participants, and parents or guardians on the benefits of physical activity and limit technology usage or screentime.

TDA encourages CEs to identify free resources before developing or purchasing them. However, CEs may use CACFP funds to develop, distribute, or purchase resources related to physical activity and limiting technology use if:

- Resources (e.g., curriculum, toolkits, newsletters, pamphlets) emphasize the connection between nutritious meals, physical activity, and/or limiting technology use.
- Costs for this education are reasonable, necessary, and allocable, and included in the CACFP budget

See *Section 7000* and USDA-developed *FNS Instruction 796-2 Financial Management*³ for more information.

4515 Training Documentation

CEs, including independent CEs, must maintain documentation of all training that includes:

- Training date
- Training location
- Training topics covered
- Participant name(s)
- Written or electronic signatures of participant(s)

When a sponsored site/provider and their staff complete a required training, sponsoring CEs must provide the site/provider with written acknowledgment of training completion that includes:

- Site/provider name
- Training title
- Training completion date
- Name of sponsoring CE
- Trainer name(s)
- Written or electronic signature of an authorized representative of the sponsoring CE

4516 Technical Assistance

While sponsors must provide technical assistance to their sites/providers when findings are cited during monitoring reviews (see *Onsite Monitoring Reviews*), sponsors must also provide technical assistance upon site/provider request and as needed throughout the Program year. Sponsors must coordinate with sites/providers to ensure technical assistance is at a time and location convenient for the site/provider.

³ <https://www.fns.usda.gov/cacfp/fns-instruction-796-2-revision-4>

Sponsors and sites/providers must maintain complete and accurate records of any technical assistance provided (see *Documentation (Records)*).

4520 Onsite Monitoring Reviews

NOTE FOR INDEPENDENT CENTERS

While most of this section pertains only to sponsors of centers and day care home providers, TDA recommends that independent centers review the *Review Areas* section below, as TDA will be conducting its own review of these areas at independent centers during an Administrative Review.

Sponsors agree to accept final financial and administrative responsibility for sites'/providers' food service management and compliance with all CACFP requirements. Therefore, sponsors must conduct onsite monitoring reviews⁴ in accordance with monitoring review requirements to ensure that the sites are in compliance with all CACFP requirements.

Monitoring reviews support sponsors in forecasting site/provider needs, improving management, and ensuring Program integrity. During reviews, sponsors will observe meal service, validate documentation, identify training needs, and determine areas or trends that may lead to deficiencies.

If any problems are identified, the sponsor must issue corrective action to the site/provider. The site/provider may have to develop and implement a corrective action plan to ensure issues are permanently corrected. See the various *Review Areas* below to see examples of what might be required for a corrective action plan based on the findings issued.

Some findings will result in disallowance and require the sponsor to submit an adjusted claim. Sponsors may reference *Review Areas* below to determine corrective action and adverse action that may be taken in response to findings.

4521 Meal Observations

At each required review, except as noted below, sponsors must observe an entire meal service from beginning to end as designated on the site/provider's application.

Sponsors must meet the following meal observation requirements:

- **Snack observation limit:** Only one meal observation per site/provider during the 12-month monitoring period may be of a snack rather than a meal.

⁴ Sponsors must ensure that no staff member enters a child care site where children are present if they have been convicted of a felony or misdemeanor classified as an offense against the person or the family, or public indecency, or a felony violation of any statute intended to control the possession or distribution of a substance included in the Texas Controlled Substance Act.

- **Observation of all claimed meals:** Sponsors must observe every meal service type (breakfast, lunch, supper, snacks, and weekend meals) being claimed by their sites/providers:

EXAMPLE: If Site A claims breakfast and lunch, and Site B claims breakfast and supper, then the sponsor must observe, *across all monitoring reviews*, at least one breakfast, one lunch, and one supper.

- TDA recommends that the proportion of meal types observed during monitoring reviews roughly match the overall proportion of meals being claimed by sites/providers.

EXAMPLE: If 20% of meals claimed by its sites are suppers, the CE should devote approximately 20% of meal observations to suppers.

- **Meal observation variety per site:** Sponsors may not observe the *same meal type* at every review for the same site/provider, unless that site/provider only provides one meal type.
- **For Day Care Homes:** If the meal is only served to resident children (i.e., the provider’s own children) during observation, the review *may count as a required review*, but the CE must conduct an unannounced follow-up within two weeks to confirm the provider’s CACFP participation.

Child Care Center and Adult Day Care Exception

At child care centers and adult day care centers, if the monitor has observed that all enrolled participants were offered a meal or the site confirmed enrolled participants not in attendance are not expected at the center during the meal service being reviewed, the monitor does not have to remain for the entire meal service time designated on the site/provider’s application.

At-Risk Site Exception

If the monitor has observed that at least the average number of children normally claimed by the site received a meal during the meal service, the monitor does not have to remain for the entire meal service.

4522 Review Areas

This section provides an overview of mandatory review areas corresponding with the applicable *Site/Provider Review Form* (*H1606* for child care centers, *H1602* for adult day cares, *H1606-AT* for At-risk sites, or *H1607* for day care homes)⁵ that must be completed at each review. Sponsors must use the applicable *TDA Review Form* or an alternative that **includes the same elements as TDA’s form.**

While completing the *Review Form* is critical, sponsors must ensure the questions and form elements guide a comprehensive assessment of the site’s/provider’s overall compliance, management responsibilities, and Program integrity. Sponsors may use the references noted in this section to support their assessments.

⁵ Located on the CACFP Administration/Forms page: <https://squaremeals.org/Programs/Child-and-Adult-Care-Food-Program/Administration-Forms>

NOTE: Some documentation (such as meal counts, production records, and meal purchase documentation) must be reviewed for compliance across multiple review areas.

Sponsors must retain all documentation of all monitoring reviews, including locations, dates, times, and findings.

4522.1 Meal Service

Sponsors must ensure sites/providers operate according to their most current application and claim meals served only to participants who are properly enrolled, if applicable, and in attendance at the meal service. Sponsors should use the meal observation, the most current approved application, and the maintained documents to assess the site's/provider's overall compliance, management responsibilities, and Program integrity.

Meal service compliance areas that must be reviewed *include*:

- **Meal service times and operations** must comply with regulations and align with information in the site's/provider's TX-UNPS site application
 - If an adult day care or at-risk center is implementing offer versus serve (OVS), then the monitor must ensure correct implementation.

References: CACFP Handbook 4400 (*Meal Time Requirements, Meal Service Styles, and Offer Versus Serve*)

- **Daily Meal Counts and Attendance Records** must document that the number of meals served aligns with attendance each day, reflect the *observed* number of meals/snacks (including seconds) served, and document that the number of meals served to each participant did not exceed the daily allowable maximum.
 - Attendance records and daily meal counts must be indicated *separately* and compared to identify discrepancies.
 - Child care centers and adult day cares must take meal counts at the point of service; TDA recommends day care homes do the same.
 - **Discrepancies:** Attendance may be greater than meal counts, but meal counts should not exceed attendance unless the site/provider is claiming second meals.

References: CACFP Handbook 4400 (*Counting Meals and Snacks and Second Meals During One Meal Service*)

Corrective Action

Examples of corrective actions that may be required of the site/provider, depending on the nature of the finding, include the following:

- Develop and implement a step-by-step process to ensure:
 - Meals are served during the approved meal service times and in the approved meal service style.
 - Meal counts and attendance are documented and reported accurately.
 - Meals are claimed only for participants documented in attendance and consistent with observed meals.

- Ensure the process includes:
 - Implementation date
 - Implementation frequency (e.g., daily, weekly, monthly)
 - Responsible parties for each step (including each person’s position)
 - Oversight measures to prevent recurrence
- Submit to the sponsor:
 - The developed process
 - Any additional documentation required by the sponsor to demonstrate successful corrective action

4522.2 Meal Pattern

Sponsors must ensure sites/providers provide meals compliant with CACFP meal pattern requirements, including meal components, serving sizes, modifications for disability reasons, meal pattern variations, and participant-provided components.

Meal pattern compliance areas that must be reviewed *include*:

- **Daily Meal Production Records** must reflect menus and be completed daily.

References: CACFP Handbook 4400 (*Cycle Menus and Pre-planned, Pre-printed Menus in Day Care Homes, and Meal Production Record*)

- **Daily Meal Production Records** must demonstrate the site/provider is meeting meal pattern requirements, including required components and quantities.⁶
 - Monitors must assess meal pattern and portion size compliance.
 - For example, to assess compliance with product-based requirements (e.g., whole grain-rich or product-based sugar limits), monitors must use Child Nutrition (CN) Labels, manufacturer-provided product analyses or Product Formulation Statements (PFS), ingredients listings, and/or nutrition fact labels.
 - To assess whether sites/providers purchased sufficient components to support claimed meals/snacks, monitors must review food purchase documentation such as invoices, receipts, or vendor records.
 - If monitors determine that sites/providers have made substitutions, modifications for disability reasons, or variations to the meal pattern, the monitor must ensure these changes are compliant and are supported by documentation.

⁶ Note that it is optional for day care home providers to enter food item quantities on a meal production record.

References: CACFP Handbook 4400 (*Meal Pattern Requirements, Meal Variations, and Meal Service Documentation*) and the USDA Food Buying Guide⁷

- **Plate waste, excess meals, and leftovers** must be assessed to ensure compliance. Monitors must document uncommon amounts of plate waste, describe what happens to leftovers, and assess documentation such as meal production records, leftover/recycle records, and/or donation records.

References: CACFP Handbook 4400 (*Leftover/Recycle, Donations, and Excess Meals*)

Common Meal Pattern Findings

Typical meal pattern and meal service non-compliances include:

- Meal production records...
 - Do not contain all the required information for the reviewer to determine whether creditable meals were prepared for each participant.
 - Indicate insufficient food quantities prepared to feed the number of participants for whom meals were claimed.
 - Indicate missing meal components.
 - Are not available for the months/days being reviewed.
 - Do not sufficiently document substitutions, modifications, or variations.
- Food purchase documentation does not support meals produced and claimed.
- Meal observed does not comply with meal pattern requirements (missing food components or insufficient portion sizes).

Corrective Action

The sponsor must document any of the above findings on the Review Form and issue appropriate corrective action. Examples of corrective actions that may be required of the site/provider, depending on the nature of the finding, include the following:

- Develop and implement a step-by-step process to ensure:
 - Claimed meals meet meal pattern requirements.
 - Supporting documentation is maintained (e.g., meal production records, receipts, invoices, leftover/recycle or donation records).
 - Deviations from menu, meal pattern requirements, or *Application* information comply with regulations, are approved by the sponsor, and are documented and reported accurately.
- Ensure the process includes:
 - Implementation date

⁷ <https://www.fns.usda.gov/tn/fbg>

- Implementation frequency (e.g., daily, weekly, monthly)
- Responsible parties for each step (including each person’s position)
- Oversight measures to prevent recurrence
- Submit to the sponsor:
 - The developed process
 - Any additional documentation required by the sponsor to demonstrate successful corrective action

Sponsors should impose adverse action as follows:

- **Not meeting meal pattern requirements:** Sponsors must disallow *all meals* that do not meet meal pattern requirements or are not supported by sufficient documentation.
- **Insufficient quantity:** If there is an insufficient quantity of food served, the site/provider may only claim the number of meals containing sufficient quantities.
 - **EXAMPLE:** 20 participants were present during a meal service. The site/provider served spaghetti with enough meat for only 15 full servings. Since all 20 participants were fed insufficient quantities of meat (i.e., not meeting portion size requirements), the site/provider may only claim 15 meals.
- **Missing components:** If the meal is completely missing one or more required components, the sponsor must disallow all meals for that meal service.
- **Processed products lacking documentation:** If the site/provider cannot support the meal pattern contributions of processed products with a CN Label or Product Formulation Statement, the sponsor must disallow all meals containing these products.
- **Documentation indicating insufficient purchases of food or milk:** If the site/provider cannot support the sufficiency of food or milk purchased for the meals claimed, the sponsor must *first* disallow meals with the lowest rate of reimbursement.

4522.3 Civil Rights

Sponsors must ensure sites/providers comply with civil rights requirements and provide equal Program access to participants regardless of race, color, national origin, sex, age, or disability.

These requirements are per Title VI of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, Section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, and USDA’s regulations concerning nondiscrimination.

Sponsors must ensure sites/providers meet all requirements found in Section 6000, *Civil Rights*, including:

- **Civil rights training** must be conducted annually for all new and returning site/provider staff performing key CACFP activities.

References: CACFP Handbook Section 4500 (*Training and Education*) and Section 6000 (*Training*)

- **A public notification system** must be implemented to share Program information (e.g., Program rights and responsibilities), complaint processes, and the USDA non-discrimination statement with all applicants, participants, potential participants, and households.

References: CACFP Handbook Section 6000 (*Public Notification, Complaints, and Non-discrimination Statement*)

- **A complaints procedure** must be documented, demonstrating the civil rights complaints process and how the confidentiality of complainants is maintained.

References: CACFP Handbook Section 6000 (*Complaints*)

- **Program accessibility** must be considered for applicants, participants, potential participants, and households with Limited English Proficiency (LEP) and participants with disabilities. **Policies and procedures must not exclude or limit participation, benefits, or activities based on race, color, national origin, sex, age, or disability.**
 - **If the need exists, the site/provider must take reasonable steps to provide all CACFP-related materials, both orally and in writing, in languages other than English.**
 - Sites/providers must offer the most integrated setting possible to enable persons with disabilities to fully benefit from Program services and meet all Civil Rights requirements.

References: CACFP Handbook Section 6000 (*Limited English Proficiency, Public Notification Section, and Program Accessibility*)

- **All requirements related to non-discrimination in employment and food services**, including meal modifications for disabilities, must be met.

References: CACFP Handbook Section 6000 (*Employment, Designation of Section 504 Coordinator, and Food Service*)

- **Collection of racial ethnic/racial data** of enrollees/participants must be conducted at least once annually.

References: CACFP Handbook Section 6000 (*Data Collection and Maintenance*)

Ethnic and Racial Categories of Participants

To support assessment of civil rights compliance, sponsors must fill out a chart detailing ethnic and racial categories of enrolled participants and those in attendance when completing their *Site Review Forms*. See Section 6000 (*Data Collection and Maintenance*) for more information.

Sponsors and sites/providers **must not** use visual observation to obtain this data. Instead, the sponsor can obtain this data in the following ways:

- **From enrollment forms:** Obtain ethnic and racial data from sites'/providers' enrollment forms to categorize current enrollment and match ethnicity/race to participants in attendance.

- **For sites without enrollment:**
 - All “Current Enrollment” categories should be marked as “N/A.”
 - To complete “Actual Participation,” ask parents or guardians to identify ethnic/racial information of their children at meal service or pick-up.
 - TDA discourages sponsors and sites from asking children to self-identify their race and ethnicity, as this practice may confuse young children.
- **For child care centers, from school data:** For sites with access to school data, obtain this information through school records.
- **Mark as “Unknown”:** All participants who do not have ethnic or racial information on enrollment forms, have declined to self-identify, or whose parents did not share information.

Corrective Action

If the sponsor observes any discrimination or violations of civil rights requirements, the sponsor must document the specific findings on the Review Form, issue appropriate corrective action, and provide additional training or technical assistance, as required.

Examples of corrective actions that may be required of the site/provider, depending on the nature of the finding, include the following:

- Develop and implement a step-by-step process to ensure the site/provider meets all civil rights requirements and does not discriminate based on participants’ race, color, national origin, sex, age, or disability.
- Ensure the process includes:
 - Implementation date
 - Implementation frequency (e.g., daily, weekly, monthly)
 - Responsible parties for each step (including each person’s position)
 - Oversight measures to prevent recurrence
- Submit to the sponsor:
 - The developed process
 - Any additional documentation required by the sponsor to demonstrate successful corrective action

4522.4 Recordkeeping

Sponsors must ensure sites’/providers’ records are maintained (i.e., available), completed accurately, and current, following the requirements in this handbook. These requirements include:

- **The site’s/provider’s license/certification** must be current, posted, and meet all licensing requirements.
 - **EXCEPTION:** If the site is exempt from licensing, the CE must submit documentation of compliance with health and safety requirements.

Reference: CACFP Handbook Section 2000 (*Licensing and Registration*)

- **Enrollment and eligibility information (as applicable)** must be current (i.e., updated annually), accurate, and completed with all required information.
 - For sites/providers that are documenting the eligibility of individual participants, the site/provider must maintain current and accurate *CACFP Meal Benefit Income Eligibility Forms* or certification of Head Start, Even Start Family Literacy, or Early Head Start program enrollment for all participants eligible for free and reduced-price meals.
 - Sites/providers implementing pricing programs must not overtly identify participants receiving free or reduced-price meals.
 - **For-profit sites** must demonstrate eligibility for CACFP participation.

References: CACFP Handbook Section 4100 (*Participant Enrollment and Eligibility at Independent and Sponsored Centers and Pricing and Non-Pricing Programs*) and Section 4200 (*Enrollment and Day Care Home Provider Eligibility*)

- **Daily Meal Counts and Attendance Records** must be maintained for the period reviewed and contain all required information (see *Meal Service* above for information required for meal count and attendance records).

References: CACFP Handbook Section 4400 (*Counting Meals and Snacks and Second Meals During One Meal Service*) and the *Meal Service* section above.

- **Previous review documentation** must be maintained, and monitors must assess whether the site/provider has corrected any non-compliances.
- **All Program-related records** must be maintained for three years from the end of the program year, with the exception of those listed in *Exceptions to 3-Year Record Retention Period* below

Reference: See *Documentation (Records)* below.

Corrective Action

If the sponsor observes any violations of recordkeeping requirements, the sponsor must document the specific findings on the Review Form, issue appropriate corrective action, and provide additional training or technical assistance, as required.

Examples of corrective actions that may be required of the site/provider, depending on the nature of the finding, include the following:

- Develop and implement a step-by-step process to ensure:
 - All documentation will be maintained, completed accurately, and current in accordance with CACFP requirements.
 - This process must address the specific document(s) where non-compliance is observed (e.g., eligibility documentation).
- Ensure the process includes:

- Implementation date
- Implementation frequency (e.g., daily, weekly, monthly)
- Responsible parties for each step (including each person's position)
- Oversight measures to prevent recurrence
- Submit to the sponsor:
 - The developed process
 - Corrected documentation (e.g., updated eligibility or enrollment)
 - Any additional documentation required by the sponsor to demonstrate successful corrective action

The following are examples of potential adverse actions:

- **Incorrect or incomplete eligibility determination:** Sponsors must appropriately re-categorize or disallow all meals for affected participants if forms are out-of-date or missing. This applies to all meals the site/provider served from the initial date of incorrect determination until the correct forms are received.
- **Incomplete enrollment documentation:** Sponsors must disallow all meals for affected participants from the initial date of incomplete enrollment until correct forms are received.
- **Missing meal count and attendance records:** Sponsors must disallow all meals for days when the required meal count or attendance documentation is missing.

4522.5 Training

Sponsors must ensure all site/provider staff, and **contractors (e.g., vendors)** performing key CACFP activities receive training before beginning responsibilities and annually thereafter. Training must be in compliance with requirements in *Site/Provider Training* above.

Sponsors should use training documentation, organizational charts, and employee records to assess the site's/provider's compliance with training requirements.

Corrective Action

If the sponsor observes any findings regarding training, they must document the finding on the Review Form, provide additional training or technical assistance, and require corrective action.

Examples of corrective actions that may be required of the site/provider, depending on the nature of the finding, include the following:

- Develop and implement a step-by-step process to ensure:
 - Staff receive training before beginning CACFP responsibilities, annually, and in compliance with training requirements.
 - Sites/providers provide sponsors with timely notification of new employees to ensure training requirements for new staff are met.
- Ensure the process includes:

- Implementation date
- Implementation frequency (e.g., daily, weekly, monthly)
- Responsible parties for each step (including each person’s position)
- Oversight measures to prevent recurrence
- Submit to the sponsor:
 - The developed process
 - Any additional documentation required by the sponsor to demonstrate successful corrective action

4522.6 Five-Day Reconciliation Process

To assess the legitimacy and accuracy of claimed meals, during the monitoring review, monitors must compare five consecutive days of enrollment (as applicable),⁸ attendance, and meal count records to identify and assess discrepancies. If monitors have concerns about claim legitimacy or accuracy, they must seek additional information from sites/providers to determine if adverse action is necessary.

Note that sponsors will also use attendance information from this reconciliation to assess discrepancies between documented attendance and observed meal service attendance during the review.

Desk Reviews

If the monitor has access to current enrollment, daily attendance, and meal count records for the current and/or previous month, they may conduct the five-day reconciliation from their office before completing the review and addressing any follow-ups on-site. Monitors may also conduct desk reviews (i.e., off-site) if the reconciliation is for a follow-up review.

Sponsors conduct the five-day reconciliation process as follows:

1. **Choose five consecutive operating days in which meals were served** in the current or prior claim month.

- a. Do not include weekends or holidays if meals are not served on those days.

EXAMPLE: If a site/provider only serves meals on weekdays, a five-day reconciliation could include Wednesday through Friday and Monday and Tuesday of the following week.

- b. If the review is conducted early in the claim month, monitors may choose consecutive operating days that span two claim months.

EXCEPTION: If circumstances justify a review of an earlier claim month than the one prior, the sponsor may look at an earlier month. For example, if the site/provider was closed for an extended holiday, the sponsor may choose to reconcile records from an earlier claim month.

⁸ For emergency shelters, outside-school-hours care centers, or at-risk afterschool centers without enrollment records, sponsors will compare meal counts to attendance only. However, if the site has enrollment records, the sponsor must reconcile claims with enrollment as well as attendance.

2. **Obtain meal counts, attendance, and, if applicable, current enrollment forms** for the five days from the site/provider.
3. **Compare enrollment and attendance for sites/providers with enrollment records** for the five days. First, monitors must ensure enrollment records are current and accurate. Then, monitors must ensure attendance never exceeds enrollment for any day or shift, if shift care is provided.
 - a. If attendance exceeds enrollment for any day or shift, monitors must identify the error source (e.g., inaccurate attendance records or missing enrollment forms) **before** proceeding with the five-day reconciliation.
 - b. **NOTE:** If monitors determine enrollment data is not current or inaccurate, they must issue corrective action (see *Recordkeeping* above) and may conduct the five-day reconciliation on meal counts and attendance until enrollment information is updated.
4. **Compare meal counts and attendance.** For any days where meal counts exceed attendance, request additional information from the site/provider, identify the source of discrepancy, and determine necessary corrective/adverse action.
5. **Compare meal counts and enrollment, if applicable.** For any days where meal counts exceed enrollment, request additional information from the site/provider, identify the source of discrepancy, and determine necessary corrective/adverse action.
6. **When onsite for review, compare documented attendance and observed meal service attendance.**
 - a. First, monitors must identify the average attendance the site/provider documented over the five-day reconciliation period.
 - b. Then, monitors must compare this five-day average to the number of participants they observe at the meal service.
 - c. If **observed participation is less than 80% of the five-day average attendance**, monitors must request additional information, identify the source of discrepancy, and determine necessary corrective/adverse action.

NOTE: TDA does not mandate but *recommends, as a best practice*, that sponsors compare meal counts to licensed capacity to identify and resolve problems in the claiming process.

Automated Reconciliation Systems

Sponsors using automated systems that routinely reconcile enrollment, attendance, and meal counts may use this as an alternative to the five-day reconciliation process.

Sponsors must demonstrate to TDA that the system can:

- Collect meal count, attendance, and enrollment (if applicable) information.

- Report on attendance (or “in and out” times) and meal counts *separately*.
- Compare meal count, attendance, and enrollment (if applicable) data and detect discrepancies and potential problems in the claiming process.

Resolving Discrepancies

To resolve discrepancies, monitors may compare meal counts, attendance, and enrollment (when applicable) at the individual participant level and must request an explanation from the site/provider.

To compare meal counts, attendance, and enrollment (if applicable) at the individual participant level, the monitor should:

1. List the names of each participant in attendance during the five days.
2. For each participant, verify:
 - a. Meal service dates align with enrollment dates (if applicable).
 - b. Meals were claimed only when they *attended* the specific meal service (e.g., breakfast, AM snack, lunch, PM snack, or supper).
 - c. For child care centers and day care homes, meals recorded align with the hours and days of care specified on the participant’s enrollment form.

If the monitor still cannot resolve discrepancies after participant-level analysis and requesting a reasonable explanation from the site/provider:

- **For child care centers, day care homes, and at-risk programs with pre-defined enrollment:** The monitor must initiate the household contacts process as described in the *Household Contacts* section below. If the monitor is unable to reconcile discrepancies after conducting the household contacts process, then they must impose adverse action and disallow any necessary meals.
- **For adult day care centers or sites that do not require enrollment:** The monitor should impose adverse action and disallow any necessary meals.

Corrective Action

If monitors observe any findings in the five-day reconciliation process, they must document the finding on the Review Form, provide additional training or technical assistance, require corrective action, attempt to resolve discrepancies, and determine disallowances or adverse action. Sponsors must disallow all meals claimed for participants who are *not in attendance* or whose enrollment documents are *not current* or *incomplete* (if applicable).

Sponsors must establish written policies and procedures for corrective action resulting from verifying discrepancies. Examples of corrective actions that may be required of the site/provider, depending on the nature of the finding, include the following:

- Develop and implement a step-by-step process to ensure the root causes of discrepancies in meal counts, attendance, and enrollment (if applicable) are addressed.
- Ensure the process includes:

- Implementation date
- Implementation frequency (e.g., daily, weekly, monthly)
- Responsible parties for each step (including each person's position)
- Oversight measures to prevent recurrence
- Submit to the sponsor:
 - The developed process
 - Corrected documentation (e.g., updated eligibility or enrollment)
 - Any additional documentation required by the sponsor to demonstrate successful corrective action

4522.7 Health and Safety

During the review, monitors must report to the proper health, safety, or licensing authorities any observed or suspected conduct or conditions that threaten participant or public health and safety.

Sponsors must conduct training and provide guidance for monitors to consistently and fairly identify, respond to, and report imminent threats. Still, monitors must exercise judgment in determining imminent threat.

Sponsors and monitors must consider the following as examples of imminent threats:

- Lost or missing participant
- Suspected maltreatment of a participant
- Suspected sexual, physical, or emotional abuse of staff, volunteers, or family members occurring on site premises
- Injuries to participants requiring medical or dental care
- Illness or injuries requiring hospitalization or emergency treatment
- Mental health emergencies
- Health and safety emergencies involving parents, guardians, or visitors to the site/provider
- Death of a participant or staff member (including deaths occurring outside care hours that resulted from serious illness or injury at the site)
- The presence of a threatening individual who attempts or succeeds in gaining entrance to the site/provider

If monitors observe or suspect any of the above circumstances or similar situations, they must:

- Contact the proper authorities.
 - Sponsors must train monitoring staff on the proper authorities (e.g., Health and Human Services Commission, 911) to contact in different circumstances.
- Remain at the site/provider until the authorities arrive.

- Whether or not the monitor must remain on-site will depend on the circumstances. Sponsors must train monitors on the process necessary to make this determination.
- Place the responsible principal(s) and/or individual(s) in serious deficiency for imminent threat to health or safety.
 - Follow the procedures outlined in Section 10000 *Serious Deficiency*.

4522.8 Nonprofit Food Service (Centers Only)

Sponsors must ensure sites use all reimbursements to procure goods and services for the operation or improvement of the food service, principally for the benefit of enrolled participants. To do so, sponsors must at a minimum analyze Program expenses, Program income, and bank account activity for a test month (or an expanded period, if required), validated according to the requirements in this section.

Due to the potential complexity of the financial review, sponsors are encouraged to request and analyze site expense and bank account documentation ahead of the onsite review so that the review itself can be conducted more efficiently. Additionally, although this review must be conducted three times annually, it is a best practice for sponsors to establish a process that allows sites to submit their financial documentation more frequently for review.

Test Month

Sponsors must review financial documentation for the first month prior to the review that complete financial and claims data is available. (i.e., test month). The test month must have occurred after the last review.

If sponsors observe any of the following during the test month, the review must be expanded by an additional three months or to the month following the last review, whichever is shorter:

- Reimbursements exceed expenses for the review period (Note that while excess reimbursement is not necessarily a finding, expanding the review period is required to determine whether this practice is occurring each month, suggesting a trend of accumulating profit in the non-profit account balance).
- Unallowable expenses
- Any non-compliance or unusual activity

EXAMPLE: The monitor must expand the review period if a site's bank statements do not show that expenses are paid from the account where Program reimbursements are received.

Financial Assessment

Sponsors must review all financial documentation pertaining to the review period (i.e., test month or expanded), including bank statements, to ensure that the site is tracking federal reimbursement from receipt through expenditure while operating a nonprofit food service, and

to validate Program expenses.⁹ Steps for conducting a financial assessment include the following:

1. Obtain documentation supporting all operating and administrative expenses. Documentation may include but is not limited to the following:

- a. Itemized expense reports
- b. Actual expenditure reports
- c. Itemized receipts
- d. Dated invoices
- e. Canceled checks
- f. Payroll documentation
- g. Records to support credit card and cash transactions

See *Types of Records* below for an expanded list of supporting documentation that may be used to verify bank account activity.

2. Validate the allowability of expenses that are being paid for by Program funds.

- a. Receipts must reflect expenses for allowable food or non-food items, goods, and services. All expenses must be reasonable, necessary, and allocable¹⁰ to the Program.
- b. Ensure all allowable transactions are approved line items in the budget.
- c. Labor expenses must adhere to the site's compensation policy and be supported by payroll records, time and attendance records, and time distribution records.
 - i. Sponsors must ensure sites properly allocate staff compensation based on time spent working on the Program.
- d. Identify any unallowable expenses.
- e. Conduct vendor verification as necessary in cases where documentation seems suspicious or possibly fraudulent.

3. Obtain bank statements for the review period (i.e., test month or expanded). Sponsors must request statements for all accounts the site uses to receive or spend CACFP funds.

- a. Separate all personal or non-CACFP transactions.
- b. Make note of any unallowable banking fines or overdraft fees, which may indicate the site does not have adequate funds to pay employees, suppliers, or debts.

⁹ When reviewing bank account activity and Program expenses, sponsors may reference Section 7000 *Financial Management* and [FNS Instruction 796-2 Financial Management – CACFP](#) for additional guidance on allowable and unallowable costs.

¹⁰ Certain expenses may be for goods or services used for both Program and non-Program purposes (for example, utilities). In those cases, only the percentage of that good or service allocated for Program purposes can be expensed using CACFP funds. See Section 7000 *Financial Management* for more information about allowable costs.

- c. Match expenses with supporting documentation, marking items that appear on both records. Note that any expense paid for via credit card, cash, or from another bank account must show a corresponding debit from the account where CACFP funds are received. For any expense that cannot be substantiated through bank account records, it must be excluded from total expenses for the review period.
 - d. Investigate transactions that are unallowable, unapproved, or missing supporting documentation to determine if they were paid for with CACFP funds.
4. **Total all expenses** for the review period, excluding unallowable expenses.
 5. **Review all Program revenue** received during the review period (i.e., test month or expanded), including reimbursements or funds restricted for Program use. Sponsors must ensure claims are being submitted according to the sponsor/site agreement.
 6. **Compare revenue to substantiated expenses.** If reimbursements exceed revenue for the test month, the review period must be expanded. If the site has more than three months' average operating expenses in the food service account, the site is not operating a non-profit food service, and corrective action must be prescribed.
 7. **Determine the source of funding for unallowable costs.** If it is determined that Program funds were used to pay for unallowable goods or services, the site must reimburse the non-profit food service account with non-Program funds for the unallowable amount.
 8. **As necessary, expand the test month of review.** Sponsors must expand the review period if they observe reimbursements exceeding expenses for the review period, unallowable expenses, or any non-compliance or unusual activity (e.g., the site is not operating a non-profit food service).

Corrective Action

If the sponsor observes any findings in the financial review, including unallowable expenses or failure to operate a nonprofit food service, they must document these findings in the Review Form, provide additional training or technical assistance, and require corrective/adverse action.

To implement corrective action, sponsors must require the site to:

- Develop and implement a step-by-step process to ensure:
 - All Program funds will be retained and used solely for the operation or improvement of the nonprofit food service.
 - If applicable, that unused reimbursement in excess of three months' average expenses is spent on allowable expenses benefitting the Program.
 - Documentation will be maintained according to the requirements outlined in this handbook.
- Ensure the process includes:
 - Implementation date
 - Implementation frequency (e.g., daily, weekly, monthly)
 - Responsible parties for each step (including each person's position)

- Oversight measures to prevent recurrence
- If applicable, for any improperly-spent funds:
 - Repayment from a non-Program source
 - Develop a plan to spend returned funds on allowable costs
- Submit to the sponsor:
 - The developed process
 - Corrected documentation (e.g., updated general ledger)
 - If applicable, documentation of repayment of improperly-spent funds and confirmation of the funds used on allowable costs
 - Any additional documentation required by the sponsor to demonstrate successful corrective action

4522.9 Enrichment Program Review (At-risk Programs Only)

At-risk sites must provide regularly scheduled, structured, and adult-supervised educational or enrichment activities in accordance with the requirements described in Section 2000 *Eligibility and Application Requirements*. When reviewing an At-risk site, sponsors must evaluate the At-risk enrichment program as follows:

1. Ensure an enrichment activity is occurring during the review and is available to all children in attendance. The enrichment program must not be limited to participants in organized athletic or scholastic programs that involve interscholastic or community-level competitive activities.
2. The start and end times of the enrichment activities must be defined.
3. The enrichment activity must be adult-supervised.
4. Meal service must occur in a congregate setting within the defined start and end times of the enrichment activity.
5. The enrichment activity must be provided by or procured by the organization listed in the site agreement.

Corrective Action

If monitors observe any findings related to the enrichment program, they must document the finding on the Review Form, provide additional training or technical assistance, require corrective action, and issue adverse action, to include:

- Meal disallowances for any meals served at a site where a valid enrichment program is not occurring or served outside of the hours in which the enrichment is occurring.
- Initiation of the serious deficiency process for sites not operating a valid enrichment program.
- Suspension of any reimbursement to the site for any claims submitted until a valid enrichment program is implemented, as these meals are ineligible for reimbursement.

Potential corrective action for At-risk sites not in compliance with the enrichment program includes:

- Establishment of step-by-step procedures documenting how meal service will be aligned with the times of the enrichment program.
- For sites that do not have a valid enrichment program, the implementation plan for procuring or implementing a valid enrichment program at the site.

4523 Frequency and Types of Monitoring Reviews

Sponsors must review each site/provider as follows:

- Sponsors must review each site/provider **at least**¹¹ three times per year, based on the 12-month review period of each site/provider, unless the sponsor is averaging reviews (see *Review Averaging*).
 - Two reviews **must** be unannounced and unscheduled.
 - Sponsors may choose whether the third review is announced or unannounced.
 - Reviews must occur at least once every six months, unless the sponsor is averaging reviews (see *Review Averaging* below).
- For **new** sites/providers, the first review must occur within the first four weeks of CACFP operations.
- If a site/provider operates on Saturday or Sunday, the sponsor must attempt at least one weekend monitoring review during the 12-month review cycle.
- Sponsors must observe a meal service at each required review for the review to be considered complete (see *Meal Observations* above).
- Day care home sponsors must conduct an unannounced review within two weeks of any review for which they could not confirm or observe the provider's CACFP participation (e.g., the provider was absent).

Exceptions for At-Risk Sites Operated by School Food Authorities (SFAs) and Summer Food Service Program (SFSP) Organizations

School Food Authorities (SFAs) participating in *only* the At-risk component of CACFP may align their At-risk review with their required NSLP review.

Sponsors that operate SFSP and CACFP At-risk at the same sites are not required to monitor their sites following the SFSP requirements and then monitor those same sites again following the CACFP requirements during the school year. Instead, these sponsors may follow the CACFP monitoring schedule year-round. Under that schedule, one of the three annual reviews must be an unannounced visit during the summer, at which a meal service must be observed to determine compliance with SFSP requirements. The other two reviews must occur during the

¹¹ Note that TDA expects sponsors to review sites/providers more frequently if they are experiencing difficulty operating the program.

school year, at least one of which must be unannounced and at least one must include the review of a CACFP meal service.

4523.1 Unannounced Reviews

Of the three monitoring reviews sponsors must conduct for each site/provider, two must be unannounced, and the third may be unannounced or announced. Sponsors must notify sites/providers that reviews may be announced¹² or unannounced, and those reviews can occur at any time during the site's/provider's regular operation hours, including evenings and weekends, if applicable.

Unannounced reviews aim to ensure sites/providers meet requirements and comply when operating the CACFP *at any given time*. Therefore, sponsors should plan unannounced reviews in a way that is *unpredictable* for the site/provider to ensure a higher likelihood of identifying and correcting management deficiencies, integrity issues, or abuse.

EXAMPLE: For example, unannounced reviews for a particular home would not be varied and unpredictable if the provider knows that the monitor always comes during the third week of January, the third week of May, and the third week of September, or never comes during the first week of the month because the sponsor staff are busy processing claims.¹³

4523.2 Photo Identification

All monitors conducting reviews must present photo identification that includes the individual's name *and* the name of the CE they represent.

NOTE: A Texas Driver's License or Texas ID card *does not* identify the individual as an employee of the sponsoring organization and therefore *does not* meet the photo identification requirement.

State or federal officials visiting sites/providers must also present photo identification with the individual's *and* agency's names.

¹² Notification of announced reviews **must** be in writing.

¹³ TDA will not issue findings if a sponsor conducts a single review in the same week of the same month in **two consecutive years**, but the other two annual reviews must have occurred in different weeks/months in each of those two years, and the review must not occur again during that same week/month in the third year.

4523.3 Sites Added during the Program Year

New sites/providers added during a Program Year must be reviewed as follows:

Site/Provider Beginning Participation Date	Minimum Number of Reviews in the Program Year
October 1 – March 31 <i>(Anytime between the start of the Program Year and the end of the following March)</i>	3
April 1 – June 30	2
July 1 – September 30	1

4524 Review Averaging

As noted above, sponsors must review each site/provider at least three times in 12 months. However, sponsors may choose to average their reviews during the CACFP Program Year (October 1 through September 30) as a means to better utilize resources by conducting:

- Only two reviews of sites with few or no Program non-compliances or findings in previous reviews;
- Three reviews for the bulk of their sites; and
- Four reviews of those sites that need closer oversight and technical assistance.

Sponsors **must ensure** when implementing a review averaging cycle that the following requirements are met:

- Review averaging cycles **must** align with the Program Year (October 1 through September 30).
- The sponsor must review each site/sponsor **at least two times** during the Program Year.
- The sponsor must conduct an average of **three reviews** across **all** of its sponsored sites/providers during the Program Year.
- If a sponsor conducts one unannounced review of a site/provider and finds no serious deficiencies, the sponsor may choose to conduct its second review announced, but the sponsor **must** ensure that it averages **two unannounced reviews** of **all** of its sites/providers that year.
- A site/provider with serious deficiencies detected during the review year must be reviewed as follows:
 - Child care centers, adult day care centers, At-risk sites, emergency shelters, and outside-school-hours care centers **must receive at least three reviews**.

- Day care home provider **must receive four reviews**, and the review after the serious deficiency determination must be unannounced.
- There can be no more than **nine months** between reviews if a site/provider is receiving two reviews. When a specific site/provider receives only two reviews in one review year, its first review in the next review year must also occur no more than nine months after the previous review;

Sponsors may implement review averaging differently depending on their site/provider profile or organizational structure. Regardless of the implementation approach, review averaging should focus on technical assistance and oversight for sites/providers experiencing difficulties or those new to CACFP participation.

Sponsors do not need prior approval from TDA to conduct review averaging. However, sponsors **must** submit a *Contracting Entity Management Plan* in TX-UNPS that informs TDA of their intent to utilize review averaging and describes implementation.

The *Contracting Entity Management Plan* should describe the sponsor’s monitoring review procedures and the criteria to determine the number of reviews per site/provider. TDA will evaluate and approve the plan to ensure reviews are conducted and performed according to Program regulations.

If a sponsor decides to *stop* or *begin* review averaging anytime during the program year or renewal application processing, they must submit a revised *Contracting Entity Management Plan* through TX-UNPS.

4524.1 Establishing the Review Cycle

Sponsors implementing review averaging must conduct the required reviews, establish criteria for determining the number of reviews per site/provider, and track reviews to effectively implement and revise their review plan when necessary. The review plan must account for fluctuations due to adding or terminating sites/providers.

Sponsors must follow the steps below to plan and implement review averaging effectively.

1. Calculate the total number of required reviews.

Sponsors can determine the total number of required reviews they must conduct in the Program Year by multiplying the number of participating sites/providers as of October 1 by 3.

EXAMPLES: If a sponsor is responsible for five sites, $5 \text{ sites} \times 3 = 15$ total required reviews must be conducted between October 1 and September 30

Fluctuations resulting from adding and terminating sites/providers will impact the sponsor’s review averaging plan. To help manage the total number of required reviews the sponsor must perform, a separate averaging plan may be beneficial for new participating sites added during the PY.

2. Establish criteria for determining the number of reviews per site/provider.

Sponsors must establish and submit to TDA the criteria they will use to determine the number of reviews per site/provider.

The following chart is an **example** of criteria that could be used for establishing criteria for reviews:

Sites/ providers...	Criteria
May only receive 2 reviews if...	<ul style="list-style-type: none"> • They had no findings in the previous Program Year, or • They have participated for [x] years and only received one minor finding in their most recent review
May/must receive 3 reviews if...	<ul style="list-style-type: none"> • They are a new site/provider who previously participated with another sponsor, or • They received findings on each of their last two reviews, or • The sponsor identified serious deficiencies in their most recent review, or • They are generally doing well but require additional technical assistance in a specific area.
May/Must receive 4 reviews if...	<ul style="list-style-type: none"> • They are a new site/provider who has never participated in the CACFP, and/or • They are having difficulties in multiple areas, or • The site/provider is currently in the serious deficiency process and/or was declared seriously deficient at any time in the previous program year.

3. Determine the exact number of sites/providers receiving two, three, or four reviews.

Sponsors must determine how many sites/providers will receive two, three, or four reviews. To meet the total review requirement, the number of sites/providers receiving *two reviews* must equal the number receiving *four*.

- **EXAMPLE:** If a sponsor requires 300 total reviews:
 - 10 sites/providers will receive two reviews
 - 80 sites/providers will receive three reviews
 - 10 sites/providers will receive four reviews

4. **Track and monitor review plan implementation.**

Sponsors must develop a plan to track:

- For each site/provider:
 - The number of reviews that will be conducted
 - The date of reviews
 - Whether each review will be announced or unannounced
- By month and year-to-date, the total number of *conducted*:
 - Reviews
 - Unannounced reviews
 - Announced reviews

Recommendation: TDA recommends that sponsors conduct most of their reviews early in the Program Year (i.e., “frontloading” reviews). Frontloading reviews allows sponsors the flexibility to revise the review averaging plan if necessary.

5. **Periodically reassess and revise the review plan.**

All sponsors should periodically reassess their review plan. Sponsors with more sites/providers should reassess their plans more frequently due to the increased complexity of scheduling reviews.

Sponsors should consider the following when reassessing and revising their review plans:

- **Program Changes:** Changes in participating sites/providers due to new additions, terminations, or temporary inactive statuses
- **Staffing Changes:** Changes in monitoring staff (e.g., resignations)
- **Unforeseen Circumstances:** Inclement weather, transportation issues, or other factors that prevent scheduled reviews

4530 Monthly Meal Edit Checks

In addition to onsite monitoring reviews, every month *before* submitting their claims to TDA, sponsors must conduct edit checks to review meal counts submitted by each site/provider. Edit checks can reveal issues with sites’/providers’ meal data, and sponsors must follow up or investigate any failed edit checks.

Sponsors must conduct the following edit checks for each site/provider:

- **Compare claimed meal types and approved meal types.** This check ensures sites/providers serve only the meal types they are approved to serve. For example, if a site is approved to serve breakfast, lunch, and PM snack, they should not attempt to receive reimbursement for AM snacks and suppers.

- Sponsors must disallow all claims for unapproved meal types.
 - They must not retroactively revise approved meal types to approve already submitted claims.
- Sponsors must follow procedures for addressing invalid documentation submitted by sites/providers. For example, sponsors may need to submit a revision of approved meal types to TDA at the site’s/provider’s request.
- **Compare reported meal counts to maximum numbers** (see *Maximum Monthly Meal Numbers*). This check ensures sites/providers do not exceed the maximum meal count based on their site’s/provider’s enrollment or attendance.
 - Maximum meal numbers are based on the site’s/provider’s current monthly enrollment **or, for at-risk sites, emergency shelters, and outside-school-hours care centers, average attendance**. Sponsors must implement a procedure to ensure the most current enrollment or attendance numbers are used for each claim month’s edit check.
 - If meal counts *exceed* maximum meal numbers, sponsors must conduct a more complete review to validate meal counts.
 - Sponsors must follow their procedures for addressing incorrect meal counts.

Sponsors are encouraged to conduct edit checks for *block claims*. This entails identifying “blocks” of 15 or more consecutive days within the claiming period for which the site/provider submitted the same number for one or more meal types. While this type of edit check is not required, sponsors can use it to identify potential training needs or issues with specific sites/providers.

4531 Maximum Monthly Meal Numbers

Maximum meal numbers are based on the site’s/provider’s current monthly enrollment (or attendance for at-risk sites and outside-school-hours care centers). Sponsors must implement a procedure to ensure the most current enrollment or attendance numbers are used for each claim month’s edit check.

The table below demonstrates how sponsors can calculate the *maximum number of meals* sites/providers may claim for the month.

Child Care Centers, Adult Day Cares, Day Care Homes, and other Centers with Pre-Defined Enrollment	At-Risk Sites, Emergency Shelters, and Outside-School-Hours Care Centers <i>without Enrollment</i>
<i>Number of <u>Enrolled</u> Participants x Number of Approved Meal Types x Number of Operating Days in the Claiming Period</i>	<i>Average Number of Daily <u>Attendees</u>¹⁴ x Number of Approved Meal Types x Number of Operating Days in the Claiming Period</i>

¹⁴ At-risk sites, emergency shelters, and outside-school-hours care centers without enrollment should estimate their average number of daily attendees.

4540 Household Contacts

Sponsors must contact households when they observe unusual CACFP participation or claiming patterns during a review, meal edit check, or any other consolidation of meal count data. Through household contacts, sponsors can verify that claimed meals were served to participants *enrolled* and *in attendance* during meal service.

Within the timeframe specified below, sponsors must contact the parents or guardians of children whose attendance or enrollment is in question when any of the following occurs:

- Site/providers cannot provide a reasonable explanation for discrepancies between meal counts, attendance, and current enrollment.
- Sites/providers cannot provide a reasonable explanation for a significant discrepancy between documented attendance and observed meal service attendance (i.e., observed participation is less than 80% of the average attendance calculated during the five-day reconciliation).
- Sites/providers consistently claim the maximum number of meals except on the review day.
- Sponsors observe a suspicious claiming pattern during the monthly meal edit check or any other consolidation of meal count data.
- Certain participants are only absent on the review day.
- Sponsors receive complaints indicating that meals are claimed fraudulently.
- Sponsors observe that enrollment forms and/or attendance records are completed or changed without parent or guardian consent.
- Sponsors observe *any* claiming and/or Program participation issues.

Sponsors must meet the requirements outlined below when contacting households:

- **Goal and Timeframe of Household Contact Process:** Sponsors must initiate the household contacts process within 30 calendar days from the date the issue was discovered (typically during a scheduled review or when processing the claim). Sponsors must complete the household contact process within 45 calendar days. Within this timeframe, if a sponsor can contact 50% or more households, TDA considers the household contact process successful.
 - If a sponsor cannot contact at least 50% of households, they must investigate and seek an explanation for the Program concern in another way (e.g., additional unannounced reviews or more detailed review(s) of claim history)
 - Sponsors must document all subsequent actions taken after an unsuccessful household contact process
- Sponsors must not notify sites/providers beforehand.
- For each household, sponsors must document a minimum of three attempts to contact the household and the results.

Sponsors may contact households through written correspondence, email, phone, personal visit, or other means. TDA strongly recommends that sponsors send letters to families because families may hesitate to share information over the phone. TDA recommends that sponsors include a stamped envelope with a pre-written address when sending letters.

Sponsors must document all successful and attempted household contacts with the following:

- Name of site/provider
- Name of person attempting to contact the household
- Name of child/children in household
- Name of household contact (parent or guardian)
- Circumstances that initiated the household contact process
- Date of household contact or attempted household contact
- Method of household contact
- Circumstances for unsuccessful household contact
- Information obtained from household contact
- Any additional information the CE wants to include

Sponsors may use the sample household contact form on www.SquareMeals.org (CACFP Administration and Forms).

Only if *all three attempts fail* and *unsuccessful contacts are documented*, may sponsors verify participation through secondary verification. This includes:

- Obtaining itemized deposit slips or receipts demonstrating that the site/provider received childcare payments for the period in question.
- Verifying enrollment and meal service participation through secondary contact, such as another member of the child's family or the parent, guardian, or family member of another child.
- Obtaining sign-in or sign-out sheets demonstrating the child's meal service attendance.
- Obtaining field trip attendance sheets or permission slips indicating the child's meal service attendance.

4550 Documentation (Records)

Each year, all CEs, including independent CEs, must ensure all Program documents are maintained according to the requirements outlined in this section. This responsibility entails sponsors training their sites/providers and ensuring compliance with documentation requirements.

CEs and sites/providers must maintain CACFP documents *separately from* documents relating to other programs. Additionally, sponsors must maintain documents *separately* for each site/provider.

CEs and sites/providers failing to meet documentation requirements may face adverse action, including disallowances.

If any records have been destroyed due to a disaster, CEs and sites/providers should contact TDA and their Education Service Centers for assistance. See *Disaster Operations* for more information.

4551 Record Retention

CEs and sites/providers must retain all CACFP-related documentation for at least three years from the end of the applicable Program Year, except as noted under *Exceptions to 3-Year Record Retention Period*.

EXAMPLE: All documents pertaining to the 2025 CACFP Program Year must be retained until September 30, 2028.

Records created in a previous Program Year must be considered current (i.e., pertaining to the current Program Year) if they have not been revised and are still in effect. These documents may not be archived or destroyed until three years from the end of the Program Year in which they are finally replaced. This may include documents such as budgets, management plans, or organizational charts that may not be revised yearly.

CEs and sites/providers may keep records in paper or electronic forms. To minimize space and storage usage, CEs and sites/providers must only have all Program documents for the *current month and the previous 12 months of operation* immediately available for review. The remaining records may be stored off-site.

4551.1 Exceptions to 3-Year Record Retention Period

CEs and sites/providers must comply with the following exceptions to the three-year record retention period:

- **Unresolved Issues:** CEs and sites/providers must retain all Program-related documents until all audit findings, claims, or litigation are resolved. TDA considers these actions resolved when a final issue is ordered in litigation or when the CE and TDA sign a written agreement.
- **Serious Deficiency:** CEs and sites/providers must retain all documents related to serious deficiency for three years *after* TDA/the sponsor accepts corrective action and temporarily defers the serious deficiency. This retention period allows TDA or sponsors to access backup documentation for proposed termination if they discover that corrective action was not permanently implemented.
- **Sites/Providers and Associated Individuals on the National Disqualified List (NDL):** If a site/provider or an associated responsible principal or individual is on the National Disqualified List (NDL), all documents related to the site's/provider's Program participation must be retained *while they remain* on the NDL. After removal from the NDL, CEs and sites/providers must retain Program documents for three years after the end of the Program Year in which they were removed.

- **Area Eligibility (At-risk Sites) and Tier I (Day Care Homes) Determinations:** All documentation pertaining to area eligibility or Tier I determinations must be retained for three years *after* the final Program Year in which the determination is valid.
 - **EXAMPLE:** If an at-risk site chooses to maintain area eligibility determination for five years (the maximum), they must maintain related documentation for *eight years*.

4552 Availability of Records

CEs and sites/providers must allow TDA, USDA, the Government Accountability Office (GAO), the Office of Inspector General (OIG), and representatives of other appropriate agencies to audit, examine, and make copies of all documents during regular business hours. At a minimum, records must be available from 8:00 a.m. to 5:00 p.m., Monday through Friday.

4553 Types of Records

CEs and sites/providers must maintain *complete* and *accurate* Program records within their own systems; CEs should not use TDA's online system as a repository for documentation. This section includes *examples* of documents that must be maintained if applicable to the CE or site/provider.

- **Applications and supporting documents** submitted to TDA, including:
 - **For all program types:**
 - Site/provider applications
 - Budget Detail **and all submitted revisions**
 - Direct Deposit Authorization
 - Application for Texas Identification Number
 - Contracting Entity Management Plan
 - Pre-Award Civil Rights Compliance Review Form
 - Documentation of Licensure, or exemption if applicable
 - Proof of tax-exempt status (501(c)(3))
 - Organizational chart
 - Articles of Incorporation, Certificate of Formation, Assumed Name Certificate
 - Governing Body Awareness
 - Government-issued identification and proof of residential mailing address:
 - Driver's license or personal identification card issued by the Texas Department of Public Safety, or similar document from another state (regardless of expiration status)
 - Military identification
 - Valid US Passport
 - Current, valid voter registration card

- Official mail addressed to the person's current address from a utility provider, government agency, or bank
 - Current lease executed by the individual
 - Any other proof approved by TDA
 - **Additional Requirements:**
 - For applicable day care homes and At-risk sites, Tier I determination or area-eligibility data (e.g., school or census data)
 - **For At-risk sites:**
 - Documentation of compliance with health and safety requirements
 - Description of qualifying educational or enrichment activities
- **Agreements and contracts**, including copies of:
 - CE's Permanent Agreement with TDA
 - Site's/Provider's Permanent Agreement with their sponsoring organization
 - Lease/rental agreements
 - Subcontractor agreements
- **Financial, claims, and reimbursement records**, including:
 - Cash register tapes, invoices, delivery slips, and receipts
 - Receiving reports from vendors signed by authorized staff
 - Itemized purchase invoices
 - Records showing costs of processing, distributing, transporting, storing, and handling food (if additional to purchase invoice cost)
 - Credits (if not shown on invoices)
 - Canceled checks or other payment receipts
 - Inventory records (including records of major inventory adjustments)
 - Records of insurance claims and collections
 - Mileage logs to support transportation costs
 - Payroll records (payroll ledgers, IRS Form W-2, IRS Form 941, canceled payroll checks, time distribution reports)
 - Records of all Program income
 - Including reimbursement receipts from TDA
 - Records of donations to the Program (food, services, supplies, or labor)
 - Bank statements
 - General ledgers
 - Copies of audits
 - Records of dates and amounts of food service payments to each CE's sites/providers
 - CACFP claims and supporting documents
- **Procurement records**, including:
 - *Invitation for Bid and Contract for Purchased Meals (IFB)*

- Basis for cost/price and reason for selecting a particular method, contract type, and contractor
- **Participant documentation**, including:
 - Participant eligibility (not applicable to At-risk sites or emergency shelters):
 - CACFP Meal Benefit Income Eligibility Form
 - Early Head Start letter, if applicable
 - Head Start letter, if applicable
 - Even Start Literacy Program letter, if applicable
 - Any other supporting documentation to support eligibility
 - Enrollment records for each participant, as applicable to the site type
 - Rosters or sign-in sheets documenting attendance at sites without enrollment
 - Rosters for children residing in emergency shelters with their parents or guardians (including arrival and withdrawal dates, child's name, and age)
- **Daily operational records**, including:
 - Names and number of participants in attendance (H1535 for child care and adult day cares, H1539 for day care homes)
 - Meals by type, served to enrolled participants (including names)
 - Menus/meal production records for each meal type claimed
 - Second meal numbers, if any, and documentation sufficient to justify second meal service (if claimed for reimbursement)
 - Field trip documentation, if applicable
 - Meals by type, served to adults working in food service (H1535)
 - Non-Program meals by type, served to adults and/or children (H1535)
 - Meals served to the provider's own children (day care home providers only)
 - Daily menu/meal production records, including food items and quantities
 - Copies of medical statements with prescribed substitutions for any meal modifications for disability reasons
- **Training and technical assistance documentation**, including:
 - Documentation of training provided to staff before beginning key CACFP activities and annually thereafter
 - Documentation of attendance at training provided by TDA or the ESC
 - For sponsors, documentation of training provided to sites/providers
 - Documentation of technical assistance provided by TDA, ESCs, or sponsors
- **For sponsors, monitoring and review records**, including:
 - Records of site/provider reviews (locations, dates, problems noted, corrective/adverse action prescribed, and technical assistance provided)
 - Completed Site Review Forms (H1606 for child care centers, H1602 for adult day cares, H1606-AT for at-risk sites, or H1607 for day care homes)
 - Completed Pre-Approval Visit Forms (H1606-P for child care centers, H1602-P for adult day cares, H1606-AT-P for at-risk sites, or H1607-P for day care homes)

All original or copied documentation must be complete and legible to the reader. If a document contains signatures, CEs and sites/providers must retain the original, even if they scan copies for storage. For example, they must retain *original* copies of enrollment forms, *Daily Meal Count and Attendance* records, and *CACFP Meal Benefit Income Eligibility Forms*.

4554 Required Forms

CEs and sites/providers must use forms provided by TDA to administer and operate the CACFP, except for the forms listed below.

CEs and sites/providers may obtain required information for the following forms by developing their own form(s) or documentation processes. They must maintain all the required information and make it available for review.

CEs and sites/providers failing to capture all required information on alternative documentation, including signatures and certification statements as applicable, may face adverse action, including disallowances and/or placement in the serious deficiency process.

CEs and sites/providers may develop their own form(s) or documentation processes to capture information present in:

TDA Form	Child Care Centers	Day Care Homes	Adult Day Cares	At-Risk
<i>Governing Body Awareness</i>	<i>Titled "Governing Body Awareness" on SquareMeals.Org</i>			
<i>Daily Meal Production Record</i>	H1530 (Child Care) or H1530-A (Infants)	H1530-A (Infants)	H1654 (Adult Day Care)	H1530 (Child Care)
<i>Daily Meal Count & Attendance</i>	H1535	H1539 (combined with Meal Production Record)	H1535	H1535-AT
<i>Documentation of Meals Claimed</i>	H1540	H1534	H1540	H1540-AT
<i>Record of Leftover/Recycled Food</i>	H1568	H1568	H1568	H1568
<i>Claim for Reimbursement Worksheet</i>	H4502	N/A	H4502	H4502

<i>Sponsoring Organization Disbursement Record</i>	H4503	N/A	H4503	H4503
<i>Site/Provider Review Form</i>	H1606	H1607	H1602	H1606-AT
<i>Pre-Approval Visit Form</i>	H1606-P	H1607-P	H1602-P	H1606-AT-P

4560 Annual Information for Households

Each year, all CEs, including independent CEs, must ensure households of all enrolled and participating (for at-risk afterschool) children receive information about the CACFP and the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC).

4561 Notice to Parents (Not Applicable to Adult Day Cares)

Federal regulations require that sponsors issue a notice to parents by the beginning of the Program Year, informing them about their sites'/providers' participation in the CACFP, the Program's benefits, the name and telephone number of the sponsor, and the name and telephone number of the Texas Department of Agriculture. Sponsors may provide this notice directly to households or require sites/providers to provide the information.

To ensure that the information is accurate and that the same information is provided to all families, TDA requires that sponsors and sites utilize the *Building for the Future* flyer available on the CACFP Administration/Forms page of SquareMeals.org.

The flyer is available in English and Spanish, but CEs may request a translation from TDA in another language. The flyer includes:

- A brief statement about the CACFP
- Notice of the sponsor and/or site's/provider's participation in the CACFP
- The USDA and TDA toll-free telephone numbers for households with questions or concerns about the CACFP
- The name and telephone number of the CE with administrative oversight of the site/provider.

CEs and/or sites/providers must:

- Distribute the flyer annually by the beginning of each CACFP Program Year
- Post both an English and Spanish version of the flyer in a visible area
- Post both an English and Spanish version of the flyer in their administrative office(s)

- Retain documentation of their flyer distribution method

Note that the flyer can be modified as necessary to align with the operations at the site, as long as all required information, as noted above, is still included.

4562 Distribution of WIC Materials (Not Applicable to Adult Day Cares)

NOTE: Outside-school-hours care centers and emergency shelters are not required to distribute WIC materials.

Each year, sponsors and sites/providers must distribute information regarding the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) to households of enrolled children.

TDA provides the most recent WIC information in English and Spanish at www.SquareMeals.org (CACFP → “Administration and Forms”).

4570 Disaster Operations

Disasters such as hurricanes, tornadoes, floods, or disease outbreaks can cause situations that impact the daily operations of CEs and sites/providers. This section includes guidance on implementing CACFP operations in a disaster event.

4571 Expanded Free Meal Eligibility

In a disaster event, children designated as “homeless” under the McKinney-Vento Homeless Assistance Act are categorically eligible for free meals in the CACFP and in all Child Nutrition Programs. For day care homes, meals and snacks served to these children at Tier II homes may be claimed at the Tier II High rate.

Participants determined eligible for free meals due to a disaster remain eligible for one year, through the last day of the month in which the determination was made one year prior.

In some cases, such as when an evacuated family or child’s categorical eligibility cannot be verified, or an application cannot be completed or obtained, school officials may submit an application on behalf of a child based on the best available knowledge of the household’s economic circumstances. CEs may also request shared income information from the school in which the child is enrolled (if applicable).

See Sections 4100 and 4200 of this handbook for more information on categorical eligibility for CACFP participants.

4572 Temporary Emergency Shelters

TDA may designate any appropriate facility as a “temporary emergency shelter” if it provides shelter and meals to displaced families. This includes schools or sites that are not providing actual shelter but are providing meal services to displaced families who otherwise would not have access.

These temporary emergency shelters will not be required to complete the entire application process to participate in the CACFP. They may serve and claim up to three meals (breakfast, lunch, and supper) each day for children through age 18 and adult participants.

4573 Modifications to Meal Service or Components

In a disaster, sponsors and sites/providers may request TDA approval for modifications such as changing meal service time(s) or using offer versus serve. CEs and sites/providers may also be approved to serve canned or dry milk if emergency conditions prevent them from obtaining fluid milk. TDA will approve or deny these modifications in consultation with FNS.

In other emergencies or disaster events, USDA may approve other flexibilities and modifications to the meal service (e.g., related to congregate feeding, meal pattern, or review requirements) on a case-by-case basis to accommodate the needs of severely impacted areas.

To request TDA approval for modifications and flexibilities, CEs should contact their Education Service Centers and/or TDA (<https://squaremeals.org/About/Contact-Food-and-Nutrition>) for instructions.

4574 Resources

CEs and sites/providers may use the following to assist in planning for and responding to emergencies or disasters:

- FNS Disaster Resource at <https://www.fns.usda.gov/disaster>
- FEMA's Guide for Developing High-Quality School Emergency Operations Plans at https://rems.ed.gov/docs/REMS_K-12_Guide_508.pdf