

**Illinois State Board of Education
Child and Adult Care Food Program**

DAY CARE HOME SPONSORING ORGANIZATION ADMINISTRATIVE WORKSHOP

PROPOSED AGENDA

June 23, 2011

8:30–8:45 a.m.	Welcome	<i>Kristina Shelton</i>
8:45–10:00 a.m.	Reauthorization 2010 Elimination of Block Claim Area Eligibility Administrative Payments Permanent Agreements Foster Children Privacy Protection Cooperation with Program Varied Timing of Unannounced Reviews Transmission of Household Income Application Carry Over of Administrative Payments Program Application Water Availability Milk and Milk Substitutions	<i>Kristina Shelton</i>
10:00–10:15 a.m.	Break	
10:15–11:15 a.m.	All About the Meal Inadequate portion sizes and missing components Sponsor Preplanned Menus Infant meals and formula waivers Milk substitutions	<i>Debbie Stoneburner</i>
11:15–11:45 p.m.	Seriously Deficient Updates Update to procedures Scenario of inadequate serving size Scenario of missing meal components Prerecorded Meals	<i>Tessie Abaca</i>
11:45–12:45 p.m.	Lunch—On Your Own	
12:45– 1:15 p.m.	Civil Rights Training	<i>Kristina Shelton</i>
1:15– 2:00 p.m.	Annual Application Annual Financial Requirements	<i>Kristina Shelton</i> <i>Debbie Stoneburner</i>
2:00-2:30 p.m.	Meal Claiming No Hits Pre-recorded meals records Meals recorded after the date of Review Computer issues Provider paperwork Claiming more than three meal services	<i>Debbie Stoneburner</i>
2:30–2:45 p.m.	Break	

2:45–4:00 p.m.

Monitoring Issues

Corrective Action at the Review
Recruiting Practices
Seriously Deficient
Monitoring Forms
Meal Components
Expenditures

Group Discussions

4:00–4:15 p.m.

Questions and Answers Session

1250 Carry Over Funds

The Healthy, Hunger-Free Kids Act of 2010, signed into law on December 13, 2010 changed the requirements for administrative payments to sponsors of family day care homes participating in the Child and Adult Care Food Program (CACFP). Section 334 of the Act amends section 17(f)(3) of the Richard B. Russell National School Lunch Act (NSLA) (42 U.S.C. 1766(f)) to permit FDCH sponsors to carry over a maximum of 10 percent of administrative payments into the succeeding fiscal year.

Sponsoring organizations are required to continue to submit annual budgets that must be approved by the State agency. The amount carried over must be accounted for in the sponsoring organization's budget for the succeeding fiscal year. Sponsoring organizations remain responsible for correctly accounting for costs, for maintaining records and sufficient supporting documentation to demonstrate that costs claimed have been incurred, are allocable to the Program, and comply with all applicable Program regulations and policies. Sponsoring organizations will continue to submit monthly expenditures reports that will be compiled at the end of the fiscal year to assist in determining the estimated amount to be carried over.

The estimate should be based on a comparison of the lesser of the unused funds from the fiscal year or ten percent of the homes times rates revenue received to date whichever is less. The net unused funds is calculated by subtracting the homes times rates revenue the sponsoring organization received to date less the amount of allowable administrative expenses the sponsoring organization has claimed to date. Schedule P calculates both values with the data received on Schedule M- Expenditure Tracking.

To include carry over funds with the initial budget submission, the value to date computed on Schedule P from the prior year budget workbook should be used for the basis of the requested carry over. The requested carry over value should be included on the Revenue Schedule in the area designated. The sponsor has until the submission of the Schedule P of the preceding year budget to decide to carry over or waive the carry over funds.

Schedule P must be submitted by January 15 indicating the request to carry over funds or waive the carry over funds. The value of the carry over funds desired is limited to the maximum allowable carry over, signed by the authorized representation and submitted to ISBE. Once received, ISBE will review the request, approve the request and send a copy of the approved Schedule P to the sponsoring organization. The sponsoring organization will be contacted by ISBE Funding and Disbursements for calculating the return of any funds not carried over considering all adjustments for advances and any other possible fund adjustments outstanding for the sponsoring organization.

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Nutrition Programs
Budget Procedures
Child and Adult Care Food Program
Day Care Home Sponsoring Organization**

Schedule P Carry Over Funds Request

The Healthy, Hunger-Free Kids Act of 2010 modified the basis for making administrative payments to family day care home sponsoring organizations. Sponsoring organizations will be permitted to carry over a maximum of 10 percent of administrative payments into the succeeding fiscal year. The maximum carryover is calculated as the lesser of the fiscal year unused administrative payments or the 10 percent maximum of monthly homes times rates payments received by the sponsoring organization over the fiscal year. Administrative funds remaining at the end of the fiscal year that exceed 10 percent of the fiscal year's administrative payments must be returned to the ISBE.

Sponsoring organizations are still required to submit annual budgets that must be approved by the State agency and the amount carried over must be accounted for in the sponsoring organization's budget for the succeeding fiscal year. Further, sponsoring organizations remain responsible for correctly accounting for costs, and maintain records and sufficient supporting documentation to demonstrate that the cost claimed have been incurred, are allowable and comply with all applicable Program regulations and policies.

The ISBE budget workbook, Schedule Revenue and Schedule P, provide the method of reporting the amount of carry over allowed and budgeted. For the initial budget of the following year, the value computed by Schedule P provides an early estimate of the carry over available. If the sponsor wishes to carry over funds, the computed value or less from the prior year Schedule P carry over calculation may be included on the Revenue Schedule of the initial budget for the new fiscal year. The sponsor has until the final submission of the Schedule P to accept or waive the carry over funds available.

The computations for the Schedule P are computed from the completion of the Schedule M Expenditure Tracking using the accumulated homes claimed revenue and the accumulated administrative expenses entered by the sponsoring organization to document the itemization of the sponsoring organization's monthly allowable administrative reimbursement claim. The completion of the Schedule M Expenditure Tracking with all claim revisions for number of homes claimed and for monthly administrative expenses must be accurately reported by the sponsoring organization on the schedule to allow accurate carry over calculations on Schedule P. ISBE will validate the revenue and administrative expense values entered by the sponsoring organization against the IWAS system.

After Schedule M is completed for the end of the fiscal year, Schedule P of the Budget Workbook will calculate the maximum available funds for carry over. The sponsoring organization must complete the amount of funds requested to be carried over (limited to

the maximum available funds), and submit a copy of the completed Schedule P signed by the authorized representative. The sponsoring organization will include the amount requested from the Schedule P on the new fiscal year Budget Workbook Revenue Schedule with any necessary budget revisions for the additional funding. If the sponsoring organization would like to waive the carry over of funds, the waiver area of the schedule must be completed and submitted.

All fiscal year funds unspent and not carried over must be returned to ISBE Funding and Disbursements.

The carryover funds will be considered spent in the fiscal year following the fiscal year of the carry over request. Carry over funds from a prior year may not be carried over to any years other than the following fiscal year.

Upon receipt of the approved Schedule P, ISBE Funding and Disbursements will calculate and notify the sponsoring organization of any fund balances to be returned by the sponsoring organization in regards to funds not carried over, advances issued and any other fund obligations that may be outstanding for the sponsoring organization.

1023 Review Elements

The sponsor's procedures must include certain required criteria to adequately document a review of a provider's CACFP operation. A full review must accomplish all required elements in order to count toward the three required annual reviews for a provider. At a minimum, the following areas must be reviewed and included on the monitor review form to demonstrate compliance to CACFP regulations.

General Information

- Name of monitor
- Name of provider
- Date of review
- Identifying number of provider (ISBE site number is preferred)
- Meal patterns of the provider

Review Information

- Time of review (start and end times)
- Indicate type of review
 - Initial visit
 - Four-week review
 - Unannounced or announced
 - Identified meal service observed—If not at meal service, reason meal not reviewed
 - Shift change
 - Nights, weekends, and holidays
 - Follow-up
 - Record keeping
 - No-hit
- Validation for attendance at observed meal with enrollment form
- Validation of observed meal for CACFP meal requirements and serving sizes (documented menu and participation for meal service observed)
- Validation of documented meals on observed month's menu for CACFP meal requirements and serving sizes (can't validate serving sizes for the month)
- Five day reconciliation of meal observed to previous five days of documented attendance for reasonableness. (Further explanation of the five day reconciliation follows)
- Validation of required annual training for provider and assistant if applicable
- Validation of provider's required records for current year and prior year for documentation to include:
 - Provider/sponsor agreement
 - Provider site sheets
 - Enrollment forms
 - Menu and meal participation (Inquiry of location of prior two years of required records)
 - Provider training records

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- Reviews (sponsor monitor and state monitor)
- Civil rights compliance (*Building for the Future* brochure)
- Initial visit verification form
- Four-week visit verification
- Current license information (if licensed by the Department of Children and Family Services)
- Provider tiering notification letter from sponsor
- Provider's claiming of own children notification letter from sponsor

Compliance Questions With Narrative to Support and Corrective Action for Non-Compliance Issues

- Is provider within capacity?
- If required, is assistant present?
- If review at a meal service, is meal served during documented meal patterns? Is there sufficient time between meal serves?
- Are menus current?
- Is meal participation up to date?
- Do meal components meet meal requirements?
- Are serving sizes appropriate?
- Is proper sanitation observed?
- Are enrollment forms available for all children in attendance?
- Are all children in attendance included on meal participation record?
- Are menu counts accurate?
- If the provider has findings at prior reviews, have appropriate corrections been implemented by the provider?
- Has provider received a minimum of two hours of training?

Appropriate Narrative of Corrective Action for All Non-Compliant Findings

The monitor review form must include sufficient narrative to support all provider findings and necessary corrective action. The information must be presented so that it is understandable to the provider. The provider; the assistant, if applicable; and the monitor must sign the review form after reviewing the completed form. One copy of the monitor review form must be left with the provider and one copy is maintained at the sponsor's administrative office. If the provider is unavailable or refuses to sign the monitor review form, further corrective action may be necessary.

1024 Review Consequences

Approved Meal Services

Meal services listed on the site application completed by the provider are the meal services the sponsor has approved the provider to participate for CACFP reimbursable meals. The provider's meal services should accommodate the meal schedules and times of its enrolled children. Services listed in excess of the allowable two meals and a snack per child or one meal and two snacks per child are considered unallowable for CACFP reimbursement and may not be listed on the provider site application. All approved meal service times on the provider site application are subject to review.

No Hit Of Approved Meal Service

A "no hit" occurs when a provider is not home for a review during an approved meal service time and has not followed the sponsor's call in procedures. When completing the site application schedule, the provider agrees that all meal services listed will be valid CACFP meals available for claiming and subject to a review.

The sponsor is required to train the provider on the consequence of absence during a CACFP documented meal service. The sponsor is also required to inform the provider of the procedure to change a scheduled meal service. It is the sponsor's responsibility to the provider to clearly define how the provider is to notify the sponsor upon their absence or closure.

If a provider is not present and no notice has been given to the sponsor's office, a monitor must stay during the entire meal service to document that the provider was not available for the review. The missed meal service will be considered a missed meal reimbursement for the provider for the children enrolled during that meal service. A sponsor monitor may receive compensation for a no hit visit only if the monitor stays at the home for the entire length of the meal service and documents the no hit.

When the provider is present and is not claiming the meal service or no children are present, a recordkeeping review must be conducted. If the provider does not allow the recordkeeping review, this is considered a refusal of the review. See section "Provider Does Not Allow Review."

The provider/sponsor permanent agreement requires that it is the provider's responsibility to allow a review from the sponsoring organization, Illinois State Board of Education and other state and federal officials. A provider that does not respond to review attempts by a reasonable method, ie phone contact, door bells, knocking on the door, may place the provider in a no hit situation. It is the responsibility of the provider to be sure that they can be located by the information supplied in the provider's site application.

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Provider Does Not Allow Review

A provider that denies a monitor to conduct a review during a scheduled meal service time will be considered out of compliance and subject to the consequences of the serious deficient process. If the provider does not allow review, the sponsor must not reimburse the provider from the first day of the review month through the attempted review. A monitor must inform a provider that not allowing a review or the completion of a review is grounds for loss of meal reimbursement. Household contacts may also be necessary to document discrepancies noted at a review.

Refer to the Actions that Lead to Serious Deficiency procedures for further information as to how to proceed when a provider does not allow a review.

Block Claim Visit

A Block Claim is defined as the same numbers of children claimed for a meal service for 15 consecutive days. With the signing of the Healthy, Hunger-Free Kids Act of 2010, Public Law 111-296 effective December 13, 2010, the block claim edit was removed from regulation requirements for sponsoring organizations of day care home providers. Although it is no longer a required procedure, the block claim edit may still be used to examine the validity of a provider claim. The meal service must be examined to determine if the occurrence has a legitimate reason. If no legitimate reason exists, the sponsor should conduct an unannounced follow-up review of the provider at the block claimed meal service.

To validate the block claim, the monitor must look at the participation for the 15 days. The monitor will examine enrollment documents and ask the provider the reason(s) for the consistent claim. If the monitor can be satisfied the claim is legitimate, no further action is necessary. If justification of the block claim is not sufficient, further steps to assure that the provider is not engaged in serious deficient behavior should be examined.

Unsatisfactory Regulation Compliance

Upon complete review of the provider's CACFP compliance, the monitor must evaluate the performance of the provider in all required procedures. The monitor must validate all areas of non-compliance on the review form. The monitor's narrative should be sufficient to allow the provider a good understanding of the findings if the information is required at a later time.

Each non-compliance issue must include sufficient training and documented corrective action to correct the deficiency. The corrective action should be clearly understood, be sufficient to correct the deficiency and agreed to by the documented signature of the provider. If at a review, the corrective action to correct the deficiency must be included on the monitors review form and signed in agreement by the provider. If the visit is not able to be completed and the corrective action is not fully documented and/or agreed to by the provider, further steps to correct the deficiency must be fulfilled at the sponsor's office within a timely period not to exceed thirty days.