

WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION
Community Nutrition Programs
Child and Adult Care Food Program

Guidance Memorandum K: For Sponsoring Organizations of the Child and Adult Care Food Program (CACFP) in Day Care Homes

Topic: Recordkeeping Requirements

Date: February 2011

Required records for the Child and Adult Care Food Program, except as noted below, must be retained on file by the sponsoring organization for the current federal fiscal year plus the prior three federal fiscal years (sections A-F). Required records for the Child and Adult Care Food Program, except as noted below, must be retained on file by the day care home provider for the current month plus the previous thirty six (36) months (sections G and H). If there are outstanding unresolved audit findings, the records must be retained as long as required for resolution of the issues raised by the audit.

Record Maintenance Requirements for Sponsoring Organizations

A. Contract/Agreement Materials

1. Current and prior approved CACFP Applications (PI-1459, PI-1459-R).
2. Permanent Agreement/Policy Statement (PI-1459-AP). This is a permanent agreement and must always be kept on file.
3. Copy of the Department of Public Instruction (DPI) Home Application (PI-1472) for all new providers.
4. Documentation of current operating information for each continuing provider. For additional information, refer to Guidance Memorandum J.
5. Current licensure, certification or approval for all providers.
6. Documentation of compliance with Title VI of the Civil Rights Act of 1964 and other pertinent laws. See Guidance Memorandum H.
 - a. A record of the potential eligible beneficiaries by racial/ethnic category for the area served.
 - b. A record of the actual participation data by race and ethnicity
 - c. An information sheet on the CACFP made available to the public and parents inquiring about child care.
 - d. The enrollment form containing the nondiscrimination statement and complaint filing procedure as stated on the civil rights poster "...and justice for all."
7. Evidence that providers and parents of enrolled children receive information on the importance and benefits of the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) and WIC income eligibility guidelines.

B. Records Related to Enrollment, Attendance, Eligible Meals and Tiering Determinations

1. Copies of Sponsor-Provider Agreements (PI-1425. Form PI-1425 is a permanent agreement and must be maintained on file for at least three federal fiscal years after a provider terminates participation with a sponsor.)
2. CACFP enrollment forms (initial and subsequent years as applicable) signed by each child's parent or guardian. Enrollment forms must be on file prior to reimbursing the provider for meals served to the children. (After the initial enrollment form, annual documentation of current enrollment for each child is acceptable instead of a new enrollment form. This annual documentation must include confirmation of each child's name, current address and home telephone number.) Information and annual updates (including the parent/guardian signature and signature date) on each child's normal days and hours in care and the meals normally received while in care may be maintained at the sponsor's office. Information and annual updates (including the

parent/guardian signature and signature date) on each child's normal days and hours in care and the meals normally received while in care must be maintained onsite in the day care home.

3. Monthly menus for each participating home.
4. Providers' daily records for all children enrolled in the CACFP, including names, ages, the number of meals served by type (Breakfast, AM snack, Lunch, PM snack, Supper, Evening snack), and the total daily attendance. A sample meal count form (PI-1455 Rev. 9-05) is attached. Sponsors may develop their own form, which must be submitted to DPI for approval.
5. Meal shift schedule documentation for each meal total which exceeds a provider's regulated capacity.
6. Records of adjustments made on provider's monthly meal count forms. Providers must be notified of the reasons for all adjustments.
7. Household Size-Income Statements for all income eligible providers and verification documents to support categorical eligibility or all sources of current household income (and expenses if used to calculate net income for self-owned businesses or farms). Each statement is valid for a 12-month period. An income statement must also be on file for area-eligible providers before reimbursement is paid for provider's own children, although verification of the income statement is not required for area-eligible providers to claim provider's own. The Household Size-Income Statement should detail all income received in the month prior to completion of the statement. If such income does not accurately reflect the household's annual income, income shall be based on the projected annual household income. If the prior year's income provides an accurate reflection of the household's current annual income, the prior year may be used as a base for the projected annual income.

Verification documents must substantiate the income (or categorical eligibility) reported on the Household Size-Income Statement. Verification of categorical eligibility must detail current eligibility (i.e. eligibility as of the month the Household Size-Income form was completed and signed). A determination of Tier 1 status based on categorical eligibility shall be effective for a maximum of one year from the signature date of the child care provider unless official notification is received that the eligibility was fraudulently obtained. Verification of income must substantiate the income amount(s) and time period of that income(s) as reported (i.e. the month prior to completion of the statement and/or the prior year's income).

In those cases where a provider may need to report the income and expenses for their day care home business through the use of a sample ledger (or any other type of self-declaration form, such as a sample Schedule C or a sample 1040) the sponsor must verify all listed sources of income and expenses. In addition the provider must supply documentation of all reported expenses.

8. Household Size-Income Statements for all children enrolled in Tier II homes whose meals are being reimbursed at the higher Tier I rates. Each statement is valid for a 12-month period, from the date of signature by an adult household member. The effective date of the statement is the month in which a determination has been made by the sponsoring organization.
9. A determination of the tiering status for all providers and documentation to verify the status of all Tier I providers based on school or census tract data, categorical eligibility, or household income. Documentation of Tier I status based on school data is effective for a maximum of five (5) years, or until a new Tier determination is made or the provider moves. Determinations based on census data remain in effect from the point of determination until such time as the next census tabulation is complete and available or the provider moves. Determinations based on family size and income (or based on categorical eligibility) are effective for a maximum of one year from the signature date of the child care provider. For all tier determinations, determination records must be retained for at least three (3) years from the final month of the fiscal year for which the determination is valid, or longer if required for audit or investigation purposes.
10. Written notification to the relevant State child care regulator (DCF license specialist and/or County Certifier) whenever a home sponsor representative observes the following in a day care home:
 - Children in attendance are in excess of the home's regulated capacity;
 - Attendance records as specified by DCF 250 (*Licensing Rules for Family Child Care Centers*) and/or DCF 202 (*Child Care Certification*) are incomplete or missing; and/or
 - The sponsor has identified other day care home provider situations for which your agency needs to provide written notification to the relevant regulatory authority.

Form PI-6202 (New 03-10) may be used to document the required notifications in these cases. Sponsors are free to use their own agency-specific form for these notifications, but all relevant information, as detailed on PI-6202, must be properly documented by the sponsor

C. Sponsoring Organization Monitoring and Training

1. Records of preapproval visits, orientation and review visits for each provider (including block claim validation visits/reviews). Refer to Guidance Memorandum D.
2. Documentation of training. This may include sponsor-offered meetings, (including the topic(s) covered, date and locations, and names of participants), other CACFP-related trainings, and "at-home" study. Refer to Guidance Memorandum E.
3. Household Contacts. Documentation (on a provider by provider basis) of all household contacts and any subsequent actions taken in response to a household contact, as detailed in Guidance Memorandum P.

D. Fiscal Records (see Guidance Memorandum F)

1. Documentation of CACFP administrative costs.
 - a. Itemized receipts, invoices, and purchase orders.
 - b. Time sheets and/or payroll records.
 - c. A payment summary, expense or disbursement ledger with all food program costs clearly identified under appropriate headings.
2. Documentation of CACFP income.
 - a. Income from CACFP reimbursement checks and advances, including any interest, as well as expansion grant funds.
 - b. Transfer of funds from other program income to cover Food Program costs.
 - c. Deductions from provider payments. Refer to Guidance Memorandum F.
 - d. Deposit slips for CACFP payments.
 - e. A receipt or income ledger with all Food Program income clearly identified.
3. Itemized administrative costs on the Monthly reimbursement claim forms (PI-1452) used to support the total administrative costs submitted to DPI.
4. Provider claim forms to support the monthly reimbursement claim. Including:
 - a. Number of days of service.
 - b. Total enrollment.
 - c. Highest number of operating days.
 - d. Number of meals served by type and tier classification.
 - e. Total number of meals served.
 - f. Average daily attendance (ADA).
ADA = Total Daily Attendance (day₁ + day₂ + day₃...) divided by Number of days of service
5. Records of the amount and date of provider payments.
6. Copies of independent audit reports and documentation of any actions taken in response to the audit findings.

E. Records relating to National Disqualified List

All records and documentation relating to day care homes that have been placed on the National Disqualified List (NDL) must be retained on file by the sponsoring organization for the entire period that the day care home remains on the NDL. This is necessary to ensure that the documentation supporting the disqualification is available to respond to any challenge to the home's inclusion on the NDL or to a request for removal from the NDL. Therefore, the sponsoring organization must retain all records and documentation relating to the disqualification of a day care home provider for three years after the date the day care home is removed from the NDL.

F. Records relating to a declaration of serious deficiency

Records relating to any serious deficiency declaration must be retained by the sponsoring organization for three years after the sponsoring organization accepts and approves a corrective action plan from the day care home provider. This will permit the sponsor to conduct one or more follow-up reviews to ensure that the day care home provider has fully and permanently corrected the cause(s) of the serious deficiency(ies) and will provide the needed documentation for a proposed termination if it is found that the approved correction action plan has not been permanently implemented.

Record Maintenance Requirements for Day Care Home Providers

G. Application and Agreement

1. Application – Day Care Home (PI-1472)
(Retain on file for the current federal fiscal year plus the prior 3 federal fiscal years.)
2. CACFP Agreement Between Sponsoring Organization and Day Care Home (PI-1425)
(Retain on file until at least three years after the provider has terminated participation in the CACFP with the sponsoring organization.)

H. Claim Documentation

1. Menus
2. Meal Counts
3. Enrollment Documentation with annual updates as needed. (The CACFP enrollment information regarding normal days and hours in child care, and meals normally received while in care, including annual updates must be retained on file by the provider in the day care home.)
4. Attendance records as required by licensing and/or certification

At a minimum all items listed above under section H must be retained onsite in the provider's home for the current month as well as the previous twelve (12) months. Providers may store the remaining two (2) years of records offsite; however, the records must still be in the control of the provider and accessible within a reasonable amount of time. If no offsite storage is used providers must retain three years of records (plus the current month) onsite at the day care home. Records can be kept in hard copy or electronic format. Failure to maintain such records as detailed above can be grounds for the denial of reimbursement and could result in a declaration of serious deficiency.