



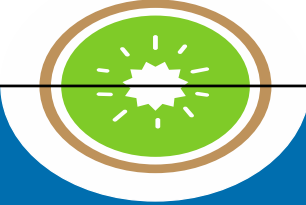
## ASK USDA: Next Steps for Emergency Funding

Brought to you in cooperation by:






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## Child Nutrition Emergency Operational Costs Reimbursement Program

Guidance Highlights and Q&A for CACFP Providers  
September 28, 2021

Raise your hand if you have ever been to a webinar with an FNS panel before





FNS thanks you for your dedication during the pandemic!



### Child Nutrition Emergency Operational Costs


Total Funds Disbursed




113 implementation plans have been approved from 54 States and U.S. territories

- 56 School Program plans approved
- 57 Child and Adult Care Food Program plans approved

Over \$353 Million in funding has been approved for the CACFP reimbursement program.



## Child Nutrition Emergency Operational Costs




Over the next few slides, we will cover a few highlights from our most recent Q&A guidance

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## Child Nutrition Emergency Operational Costs (EOCs)


### Statutory Authority and Overview



- **Reimbursement Programs**
  - School Programs Emergency Operational Costs Reimbursement Program
  - Child and Adult Care Food Program Emergency Operational Costs Reimbursement Program
- **Eligible program operators include:**
  - School Food Authorities
  - CACFP Institutions
    - Day Care Homes
    - Unaffiliated Centers

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## Allowable Use of Funds



- Program operators may use the funding to cover any allowable costs such as:
  - Staff salaries;
  - Rent and utilities;
  - Equipment (i.e., refrigerators); or
  - Food costs.
- This includes the use of EOC funds to reimburse out-of-pocket expenses that supplemented the Nonprofit Food Service account/meal service operations during the pandemic.
  - Program operator must maintain documentation supporting their expenditures in line with normal CACFP requirements.
- Any remaining funds must be retained in the Nonprofit Food Service account and be used in accordance with normal CACFP requirements.
- **These funds do not expire once deposited to the nonprofit food service account.**

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Raise your hand if you have outstanding pandemic expenses that you could cover with an EOC payment

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## Child Nutrition Emergency Operational Costs

### Eligibility




- CACFP Emergency Operational Costs Reimbursement Program eligibility is limited to **institutions, day care homes and unaffiliated centers that filed valid CACFP claims for any of the months of September – December 2020** or have provided assurance to their State agency that they will file a claim within the first 90 days after the end of the public health emergency.
- When State agencies calculated payments for CACFP operators, if the program operator had higher claims in March, April, May, or June of 2020 than in the same month in 2019, then the program operator would not receive emergency funds for that month.

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## Child Nutrition Emergency Operational Costs

### Implementation/Payment Timeframe




- Your State agency is currently working to implement these programs and will provide you with information on payment eligibility
- The date/time when your State agency will begin distributing payments **will vary** based on a number of factors.
  - **September 30, 2021** is the deadline for State agencies to identify their needs for funds, and receive funds from USDA.
  - **January 31, 2022** is the deadline for State agencies to distribute the funds to their operators.


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### Child Nutrition Emergency Operational Costs

Implementation/Payment Timeframe





- Operators do not need to do anything to receive their funds, unless you are asked by your State agency to complete an assurance statement. This will only occur in the case that you temporarily closed your site during or after the public health emergency.





Raise your hand if you have already received funds from your State agency or Sponsoring Organization




## Frequently Asked Questions


**Q: May State agencies allow sponsors of affiliated centers to retain up to 15% of the payment to cover administrative expenses?**



**A:** Sponsoring organizations of affiliated centers may follow the same processes they use to distribute monthly meal reimbursements, which includes retention of up to 15% for administrative expenses, as applicable.




**Q: If a sponsored unaffiliated CACFP center or a day care home provider has transferred to a new sponsoring organization since March-June 2020, to which sponsoring organization (previous or current) should the share of administrative reimbursement be paid?**




**A:** If the day care home provider transferred to a new sponsor after June 2020, the administrative reimbursement should be paid by the State agency to the Sponsoring organization that the day care home resided under during the applicable reimbursement month(s).

For unaffiliated centers, the agreement to provide a share of administrative funds only exists with the current sponsoring organization, which would typically receive and process the payment from the State agency. In such cases, the share of administrative funding may be retained by the current sponsoring organization.




**Q: If a program operator is currently declared seriously deficient or has outstanding administrative review findings (i.e., they are not presently in good standing), are they still eligible for payments?**




**A:** Yes. As long as a program operator has not been terminated or suspended pending termination from the applicable Child Nutrition program(s), they are still eligible to receive EOC payments, regardless of their current standing.


However, If an institution, day care home, or unaffiliated center has been suspended or terminated from their participation in the CACFP for cause, or if they have been placed on the National Disqualified List (NDL), they are not eligible to receive a payment.




**Q: If a program operator filed valid claims during an applicable reference month (March – June 2019) but terminated their participation in the Child Nutrition Programs prior to September 2020 (i.e. no intent to return to CN operations), are they entitled to a payment?**




**A:** No. A program operator who terminated their participation in the Child Nutrition Programs (i.e. their agreement with the State agency or sponsoring organization) prior to September 2020 is not entitled to an emergency operational costs reimbursement payment because they do not meet the statutory requirements for participation during September 2020 - December 2020.




**Q: If a program operator filed valid claims during both an applicable reference month (March – June 2019) as well as in September – December 2020, and have since terminated their participation in the Child Nutrition Programs, are they still owed a payment under the Child Nutrition Emergency Operational Costs Reimbursement Programs?**




**A:** Possibly yes. However, emergency cost funds allocated to a State **may only be made available to a Child Nutrition Program participant**. A State agency or a sponsoring organization no longer has any formal or binding relationship with a program operator who has terminated their Program agreement. In this scenario, **a program operator may renew their Program participation agreement** to facilitate there payment of EOC reimbursements where applicable.




**Q: Are payments owed to CACFP unaffiliated centers and day care homes that have left their previous sponsoring organization and have not yet established an agreement under another sponsor?**



**A:** In order to receive a payment, a CACFP unaffiliated center or day care home must be operating the CACFP under an agreement with an approved sponsoring organization per the requirements for sponsored facilities. Upon entering into a new agreement following any gap in program participation, such providers may work with their new sponsoring organization (which would then work with their State agency) to determine if a CACFP Emergency Operational Costs Reimbursement Program payment is owed.




**Q: May local program operators request a revision of the payment amount(s) calculated by and offered to them by their State agency and/or Sponsoring organization?**




**A:** State agencies may consider requests from local program operators who seek a revision of their calculated payment amounts at their own discretion.

Your State agency has been encouraged, at minimum, to demonstrate how payments were calculated (if this information was not previously shared through other communications or technical assistance). However, the state agency is *not* required to consider these requests.

In the case that a sponsored day care home or unaffiliated center disputes a payment amount calculated by their sponsoring organization, the sponsoring organization should notify their State agency, which may adjudicate at their discretion.





**Q: Are CACFP program operators required to amend their budget to reflect the receipt and expenditure of funds under the CACFP Emergency Operational Costs Reimbursement Program?**



**A:** CACFP program operators should follow their State agency's normal requirements and procedures for making budget amendments, as applicable.

However, FNS has encouraged State agencies to streamline and simplify any budget amendment requirements in order to support program operators and provide flexibility during this challenging time.

**Raise your hand if at least one of your questions has been answered so far**

