



State of Arizona  
Department of Education

HNS #58-2013

*Original Signed*

**MEMORANDUM**

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**TO:** All Child and Adult Care Food Program Day Care Home Sponsors

**FROM:** Mary Szafranski, Associate Superintendent  
Arizona Department of Education, Health and Nutrition Services

Melissa Conner, Director  
Child & Adult Care Food Program and Summer Food Service Program

**DATE:** October 23, 2013

**SUBJECT:** Clarification on DHS Definition of Compensation

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The purpose of this memorandum is to provide clarification on the Department of Health Services' (DHS) definition of "compensation" and how it affects ratio requirements in Arizona. At the Forum meeting on June 25, 2013 the day care home sponsors requested that ADE meet with DHS to discuss the intent of the definition of "compensation." ADE was to determine if the intent was based on the number of meals claimed by a provider or the number of meals actually paid to the provider.

On October 21, 2013 ADE and DHS met and came to an agreement. DHS continues to consider CACFP reimbursement as compensation; however, if an unlicensed provider submits a claim for reimbursement, either electronically or manually but only receives payment for no more than four children, that provider would not be considered over ratio and subsequently reported to DHS for unlawful child care. Sponsoring organizations and ADE must be able to validate during reviews of menus and meal counts that no unlicensed provider is receiving payment for more than four children at any given time. Sponsoring organizations must continue to enforce ratio requirements when the provider receives compensation for a child, such as payment for child care, public or government funds, goods, services, etc.

This policy is effective October 21, 2013. If you have any questions regarding this guidance, please contact your ADE Specialist at 602-542-8700.



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