

# FISCAL YEAR 2012 DCH RENEWAL TRAINING



# Seriously Deficient vs. Suspension

## Seriously Deficient

- The status of a child care home that has been determined to be non-compliant in one or more aspects of its operation of the program which must be fully and permanently corrected or may result in termination for cause.
- The sponsor must continue to pay any claims for reimbursement for eligible meals served until the serious deficiency(ies) is corrected or the day care home's agreement is terminated, including the period of an administrative review.

## Suspension

- The status of a child care home that is immediately ineligible for participation, including program payments.
- Suspension occurs if the serious deficiency(ies) constitutes an imminent threat to the health and safety of participants, or the provider has engaged in activities that threaten the public health or safety.
- Sponsor is prohibited from making program payments to provider until administrative review of the proposed termination is completed (if requested).

# Seriously Deficient vs. Suspension

## Seriously Deficient

- Sponsor investigates and documents the serious deficiency(ies).
- Sponsor notifies the provider (by letter) that he/she has been determined seriously deficient.
- Sponsor assigns corrective action and timelines (not to be more than 30 days).
- Sponsor indicates that the SD is not subject to an administrative review (appeal).
- Sponsor identifies that failure to fully and permanently correct the SD within allotted timeframe will result in termination
- Sponsor identifies that voluntary termination will still result in formal termination by the sponsor and placement on the NDL.

## Suspension

- Sponsor immediately notifies Department of Health Services of the imminent threat to health or safety and takes action consistent with their recommendations and requirements.
- Sponsor notifies the provider (by letter) that his/her participation has immediately been suspended, they have been determined seriously deficient, and the sponsor proposes to terminate the provider's agreement for cause.
- Provider may request an administrative review (appeal) of proposed termination.
- Sponsor is prohibited from making program payments to provider until administrative review of the proposed termination is completed (if requested).

# Examples of Suggested Corrective Action

- Deficiency - 7 CFR §226.16(1)(2)(v)

Failure to maintain required records (sign in/out sheets) §226.18(e)

- Corrective Action

Meals which cannot be validated are disallowed. Sponsor provides training and technical assistance and requests copies of sign in/out sheets be submitted with the next 3 months worth of menus and meal counts submitted for claims.

The provider will be instructed to create a policy and procedure which identifies that parents/guardians must sign children in and out daily.

The policy should describe exactly how the provider will ensure sign in/out sheets are completed and maintained every day (i.e. an assistant checks attendance before leaving and parents found in violation are fined \$3.00 per occurrence).

The provider should sign and date the policy and procedure.

The sponsor should conduct 2 unannounced follow up visits with no repeat of problems ensuring that the corrective action has been met.

# Examples of Suggested Corrective Action

- Deficiency - 7 CFR §226.16(1)(2)(v)

Failure to maintain required records (menu/meal counts) §226.18(e)

- Corrective Action

Meals which cannot be validated are disallowed. Sponsor provides training and technical assistance and requires that the provider create a policy and procedure which identifies that all menus and meal counts must be completed daily.

The policy should describe exactly how the provider will ensure menus and meal counts are completed and maintained every day (i.e. spouse double checks menus and meal counts are complete every night before going to bed).

The provider should sign and date the policy and procedure.

The sponsor should conduct 2 unannounced follow up visits with no repeat of problems ensuring that the corrective action has been met.

# Examples of Suggested Corrective Action (cont)

## □ Deficiency- 7 CFR §226.16(1)(2)(ix)

Claiming for children not enrolled, or for meals served to children in excess of the home's authorized capacity. §226.18(e)

## □ Corrective Action

Meals served to children not enrolled and/or meals served while over authorized capacity are to be disallowed. Sponsor provides training and technical assistance and requires that the provider create a policy and procedure which identifies that children not enrolled in the program are not allowed to be in attendance during the providers business hours.

The policy should describe exactly how the provider plans to ensure that all children present and claimed are enrolled. In addition, it should include the procedures that are to be followed when the providers home reaches it's authorized capacity to avoid over ratio issues and to maintain program compliance.

The provider should sign and date the policy and procedure.

The sponsor should conduct 2 unannounced follow up visits with no repeat of problems ensuring that the corrective action has been met.

# Provider Records

The provider must maintain the following records in their home at all times:

- Provider application (current for the FY)
- Enrollment forms (current for the FY)
- Sign in/out sheets on each child in attendance
- Menus and meal counts
- Sponsor/provider agreement
- Copies of monitoring forms from sponsor

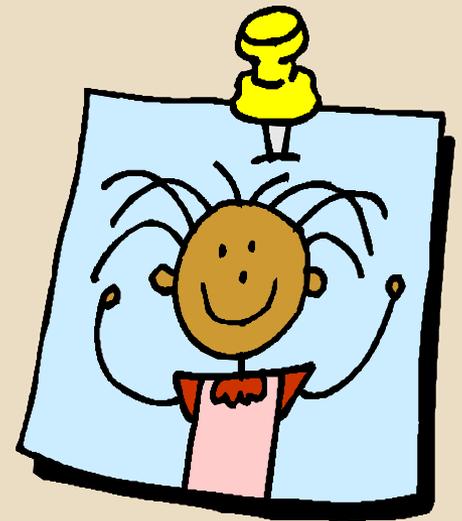
# Provider Application

- Provider must maintain a copy of their provider application. This is to show the sponsor and ADE hours of operation, meal times and meals being offered by the provider.



# Enrollment Forms

- Every child(ren) the provider provides care for must have an enrollment form on file in the provider's home. ADE will review to ensure that every child being claimed and who is present in the home during the time of the visit has an enrollment form on file.



# Sign In/Out Sheets

- Every child being claimed for a meal must have a complete and legible sign in/out sheet.
- A complete sign in/out sheet means when the parent drops the child off, he/she will sign the sheet and annotate the date and time the child was dropped off.
- When the parent picks the child up at the end of the day, he/she will again, sign the sheet and annotate the time the child was picked up.
- Should the sponsor or ADE notice that the sign in/out sheet is incomplete (no sign in or out time or no signature), the provider will not be allowed to claim any meals for that day(s).

# Menus/Meal Counts

- The provider must complete the menus and meal counts by the end of the day. If the sponsor or ADE, during a monitoring visit, notice that the provider has not completed her menus and meal counts for a previous day(s), those meals must be disallowed.



# Sponsor/Provider Agreement

- The provider must maintain a copy of this agreement, signed by both the sponsor and provider. This lets ADE know, upon conducting a monitoring visit, that the provider is aware of what is contractually required.



# Monitoring Forms

- Monitoring forms from past visits from the sponsor must be maintained by the provider. The purpose of this is so that ADE can review for any possible repeat discrepancies.



# AA Homes

There are two new requirements for AA Home Providers:

- Wading Pools

AA Home providers will not be allowed to have wading pools. This is in line with rules DES and DHS follows.

- Child Care Standards were updated to reflect this requirement

- Carbon Monoxide Detectors

For all homes that have gas utilities, the provider must have a Carbon Monoxide detector in the home.

- Child Care Standards and Provider Application was updated to reflect these requirements

# AA Homes (cont)

- Providers must apply to renew all CPR/First Aid and Water Safety certifications **before** they expire. The expectation of ADE is that providers will apply to renew these certifications in a reasonable amount of time. There should be no gap between the expiration and the renewal.

# Inspections for Renewing Providers

- For renewing providers, family child care home providers are expected to arrange for fire and health inspections within a reasonable amount of time where as there is no gap between the current inspections and the renewing inspection. ADE's expectation is that renewing providers will schedule inspections 3-4 weeks before the current inspection expires.
- Should the provider have to reschedule, for any reason, it is the provider's responsibility to get the inspection rescheduled before the current inspection expires.

# Infant Requirements

- Providers are required to purchase and offer all infant meal components.
- Enrollment forms have been revised to ask if the parent wishes to provide their own formula or use the formula provided by the provider.
  - ▣ Ensure provider records the type of formula offered, if applicable
  - ▣ **Infant feeding preference form no longer required**
- Once an infant turns 8 months, the provider must provide at least one component.

# Nutrition Requirements for Milk and Milk Substitutions

(In Accordance with CACFP CN# 017-11 / USDA# CACFP 21-2011)

## Fat-Free and Low-Fat Milk

- Only fat-free (skim) or low-fat (1%) fluid milk are allowed to be served to children two years and older
  - ▣ **Ensure this is now included on monitoring forms**
  - ▣ Menus should also identify type of milk
    - May use a disclaimer
- Whole milk and reduced-fat (2%) milk may **not** be served to participants two years of age and older
- The requirements relating to children under the age of two are unchanged at this time



# Nutrition Requirements for Milk and Milk Substitutions (cont)

## Non-dairy Beverages

- In the case of children who cannot consume fluid milk due to medical or other special dietary needs, other than a disability, non-dairy beverages may be served in lieu of fluid milk.
- Parents or guardians may now request in writing non-dairy milk substitutions, as described above, without providing a medical statement.
- The requirements related to milk or food substitutions for a participant who has a medical disability and who submits a medical statement signed by a licensed physician remain unchanged.

# Water Availability in the CACFP

(In Accordance with CACFP CN# 018-11 / USDA# CACFP 20-2011)

- ❑ Water should be made available to children to drink upon their request throughout the day, including at meal times.
- ❑ It is not part of the reimbursable meal and may not be served in lieu of fluid milk.
- ❑ The 2010 Dietary Guidelines for Americans do not establish a daily minimum intake for water consumption, but do recommend that water be consumed daily.
- ❑ Caregivers should not serve young children too much water before and during meal times; excess water may lead to meal displacement, reducing the amount of food and milk consumed by the children.
- ❑ States and sponsors should encourage facilities to serve water with snacks when no other beverage is being served, and in lieu of other high calorie, sweetened beverages that are served outside of meal times.

# Water Availability in the CACFP (cont)

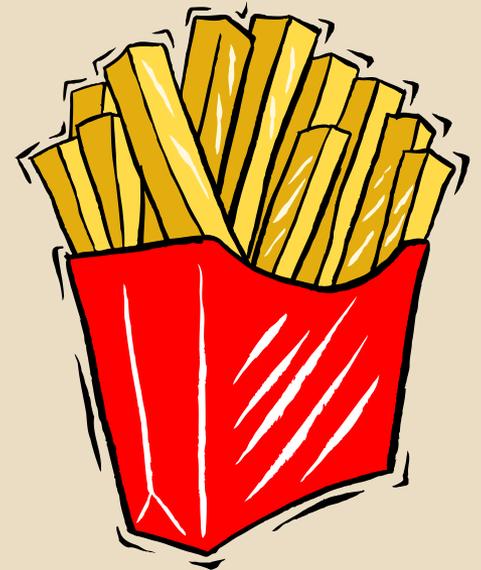
Water can be made available to children in a variety of ways which include but are not limited to:

- Having cups available next to the kitchen sink faucet
- Having water pitchers and cups set out
- Or simply providing water to a child when it is requested

# High Sugars / High Fats

(In Accordance with CACFP CN Memorandum #37-05 )

- No more than two high sugar/high fat items are served not more frequently twice per week
- High sugar items may be served only during breakfast or snack



# High Sugars

High sugar products include, but are not limited to:

- Muffins
- Brownies
- Cookies,
- Toaster pastry
- Donuts, Pudding
- Gelatin with fruit
- Pop tarts
- Cookies
- Granola bars,
- Danish,
- Cinnamon rolls,
- Custard
- Cake
- Quick breads
- Chocolate milk
- Flavored milk
- Animal crackers
- Vanilla wafers
- Graham crackers
- Syrup
- Honey
- Jelly
- Jam
- Rice Crispy bar
- Added sugar to breakfast cereal
- High sugar breakfast cereals.

# High Fats

High fat products include, but are not limited to:

- Sausage
- French fries
- Salami/pepperoni
- Hot dogs
- Fried chicken
- Fry bread
- Chimichangas
- Processed lunch meats
- Dipping sauces (Ranch dressing)
- Tater tots
- Corn dogs
- Hard shell crunchy tacos
- Taquitos
- Top Ramen noodles

# High Sugars / High Fats (cont)

## NOTE:

- Don't always believe that food items labeled as "Lite" or "Low-Fat" will meet the CACFP guidelines. In most cases, these foods are still considered a high fat or a high sugar food.
- Use the CACFP Nutrition Calculator to determine if a particular item is considered High Fat or High Sugar to avoid any meal disallowances:

<http://www.ade.az.gov/cacfpnutritioncalculator>

# Homemade Items

- Definition: Made at home using traditional methods, instead of by a manufacturer; made from scratch.
- Provider may be required to show proof of a HM product by keeping a copy of the recipe on file.
- Frozen packaged foods are not considered HM foods.



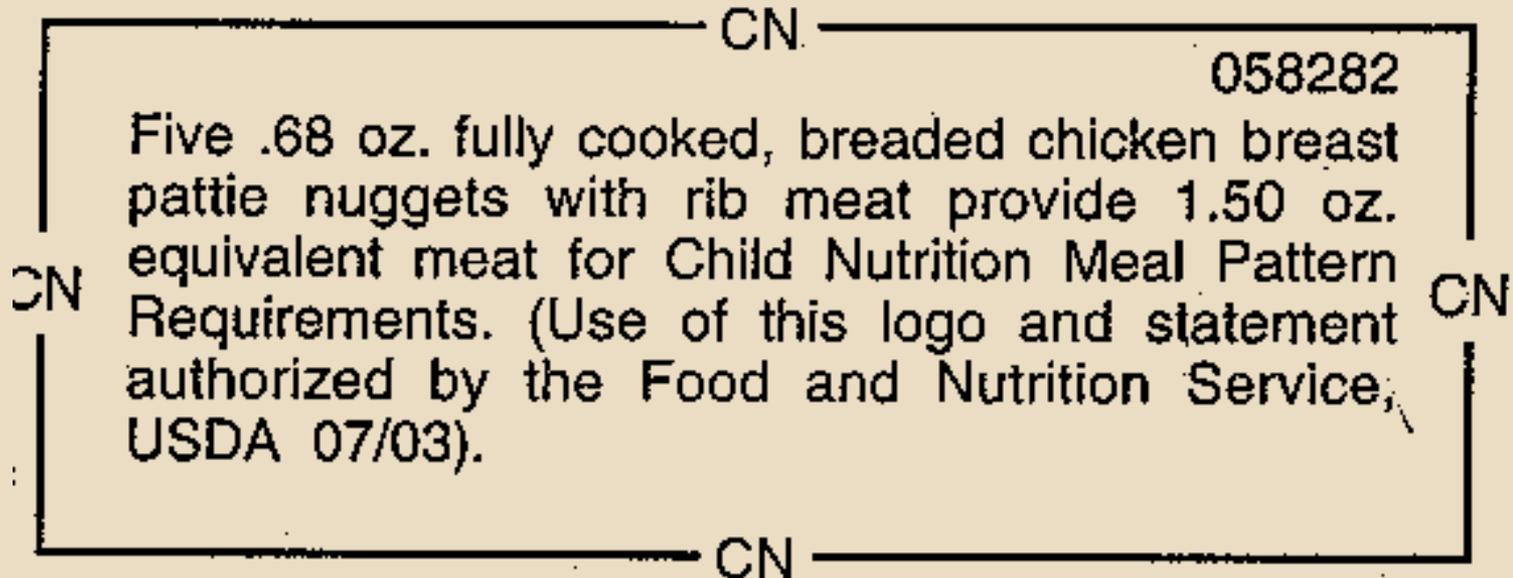
# CN Labels: Convenience Foods

(In Accordance with 7 CFR §226.6(m)(3)(vii))

- CN Labels are required for ALL commercial / processed products regardless of whether or not they meet more than one component
- Convenience Foods listed on the menu must be the same product described in the CN-Label
- If a CN label is not available then that item cannot be claimed for reimbursement and should be replaced with a creditable entrée
- All documentation regarding convenience foods must be maintained on file
  - ▣ If no information is available at the time of an audit then meals containing convenience foods may be disallowed

# CN Labels: Convenience Foods (cont)

The CN-label contains a statement that clearly identifies the contribution the product makes toward the meal pattern requirements:



# CN Labels: Convenience Foods (cont)

Some examples of items that require a CN Label are (not all inclusive):

- ❑ Breaded meat products
- ❑ Frozen pizza
- ❑ Frozen fish sticks
- ❑ Hot dogs
- ❑ Frozen corn dogs
- ❑ Frozen chicken nuggets
- ❑ Frozen meatballs
- ❑ Frozen French fries
- ❑ Frozen macaroni and cheese or lasagna
- ❑ Raviolis
- ❑ Or other convenience combination foods

# Tier 1 – Area Eligibility for Family Day Care Homes

(In Accordance with CACFP CN# 0CACFP CN# 007-11 / USDA# CACFP 05-2011)

- Previously only the enrollment of the local public elementary school could be used to determine Tier I eligibility.
- Tier I eligibility can now be determined if the home is located in an area served by any public school in which at least 50 percent of the enrolled children are certified eligible for free and reduced-price school meals.
- Area eligibility data located at <http://www.ade.az.gov/health-safety/cnp/frpercentages/>
- Please note that the identified report includes schools that are not “public schools.” All public school sites are affiliated with their applicable School District.

# Tier II -Transmission of Household Income Information

(In Accordance with CACFP CN# 014-11/USDA# CACFP 17-2011)

The providers or the sponsors must ensure that each household knows:

- The household isn't required to complete income eligibility form in order for their children to participate in CACFP; and
- The household has the option, if they choose to complete the income eligibility form, of either:
  - Returning the form directly to the sponsor at the address indicated on the form; or
  - Returning the form to the provider with written consent allowing the provider to collect the form and transmit it to the sponsor on the household's behalf
- Neither ADE, nor sponsors may require the tier II family child care home providers to collect and transmit household information to the sponsor; however, the providers now have the above described opportunity as an option.

# Meal Benefit Income Eligibility Form

## What's Still Applicable:

- Distribute an income affidavit for every enrolled participant
- CACFP Fiscal Year remains from October 1<sup>st</sup> – September 30<sup>th</sup>
- Collect new affidavits each year to be effective July 1<sup>st</sup>.
- Distribute no sooner than 30 days prior to July 1<sup>st</sup> (distribute on June 1<sup>st</sup>)
- All income affidavits must include the parent letter to inform parents about the program (two-sided)
- Remember that it is *voluntary* to provide income information.

# Meal Benefit Income Eligibility Form (cont)

## What's new:

- ❑ No longer a separate part designated for Foster Children. All children enrolled are now to be listed in Part 1.
- ❑ Part 2 acronyms SNAP is for DES Food Stamps, FDPIR is for Food Distribution Program on Indian Reservations and TANF is for DES Cash Assistance.
- ❑ Part 3 is not required to be completed at this time.
- ❑ Part 4 **all** household members receiving income must report their gross income.
- ❑ An area for the last 4-digits of the Social Security Number.
- ❑ A “Written Consent” section where a parent consents to their provider collecting and transmitting form directly to your on their behalf.
- ❑ Part 6 is optional to be completed to identify ethnicity and race of the household.
- ❑ The shaded bottom section of the form is not for ADE to complete but for the Sponsor. The Sponsor must have 2 people validate the form with a signature and date.

# Block Claiming

(Section 331 of The Healthy, Hunger-Free Kids Act of 2010, CACFP CN Memo #009-11, USDA CACFP 02-2011)

- Sponsors are no longer required to conduct edit checks designed to detect block claims
- Follow-up review requirements associated with Block Claims will no longer be required
- Please note that although the sponsor is not required to check for Block Claims, ADE will continue to use the tool as a review item

# Monitoring Requirements

(Section 331(b) of the Act which amends section 17(d)(2) of the Richard B. Russell National School Lunch Act [42 U.S.C. 1766(d), CACFP CN Memo 13-11, USDA # CACFP 16-2011])

- ❑ Sponsors are required to conduct 3 monitoring visits per year. Two of these must be conducted during a meal service. In addition, two visits must be unannounced and at least one unannounced monitoring visit must be completed during mealtime.
- ❑ Monitoring visits must be conducted during the first four weeks of program operation for a new provider.
- ❑ There may never be more than six months between monitoring visits.
- ❑ If a sponsor finds a serious deficiency during a monitoring visit, the next monitoring visit must be unannounced.
- ❑ If provider operates outside of normal business hours, monitoring visits must be conducted during these hours.

# Monitoring Requirements (cont)

- Monitoring visits must be varied in a way that is unpredictable to providers.
  - This includes conducting visits during the claiming period of the month
- A 5-day reconciliation must be performed during each monitoring visit
- Meal observations must be observed during **approved** meal times
- Document all visits – successful and unsuccessful
- Ensure that unsuccessful visits to providers are assigned corrective action.
- Ensure adequate documentation to support time and mileage claimed for attempted visits

# Menu Reading

- Sponsor should be verifying that meals observed during monitoring visits match the menus submitted for reimbursement. If it doesn't match, meal should be disallowed.
- Sponsor should be verifying that providers are only claiming meals they are approved for by ADE, and the meal times listed on the menus are within their approved meal times. Meal dates and times **must be enforced!!!**
- Sponsor should not modify or make any/change to meal times or sign in/out times on menus.

# Required Training Topics for Staff and Providers

## Minimum Required Topics

- Meal Pattern Requirements
- Meal Count Documentation
- Reimbursement System
- Record Keeping
- Claims Submission
- Civil Rights
- Documentation of Training

# Examples of Training Topics

## Meal Pattern Requirements

- Child and infant meal patterns
- Reimbursable meal components
- Creditable and non-creditable foods
- Portion sizes

# Examples of Training Topics (cont)

## Meal Count Documentation

- Meal counts must be done by close of business
  - NOT determined by attendance
- Providers are to have their meal counts up to date as of the previous day
- Attendance records separate from meal counts
- Meal counts should support monthly reimbursement claims

# Examples of Training Topics (cont)

## Reimbursement System

- Monthly claim submission dates
- Monthly claim edit checks
- Claim preparation
- Record retention policy

# Examples of Training Topics (cont)

## Record Keeping

- Sing in/out sheets
- Enrollment Forms
- Required monthly forms i.e. meal counts, menus and sign in/out sheets
- Medical Statements for allergies to support substitutions to menus
- Infant records i.e. Infant Meal Counts

# Examples of Training Topics (cont)

## Claims Submission

- Compare menus to meal pattern
- Claims process



# Examples of Training Topics (cont)

## Civil Rights

- Program availability
- Complaint procedures
- Use of Non-Discrimination Statement



# Examples of Training Topics (cont)

## Documentation of Training

- Sign in logs to include the date of training
- Providers may not attend another sponsors training



# Do I Submit a Management Plan to ADE?

(In accordance with Memo CACFP 19-2011)

Depends on two scenarios:

## Scenario 1:

Your management plan is the same as last year:

- Submit a signed statement provided by ADE
- Provide an addendum to management for non-policy annual changes (like training schedules and agendas, number of providers)
- Submit a budget spreadsheet

# Do I Submit a Management Plan to ADE? (cont)

OR

## **Scenario 2:**

If there are **any** changes to policy and/or organizational mission/structure, fiscal accountability, etc:

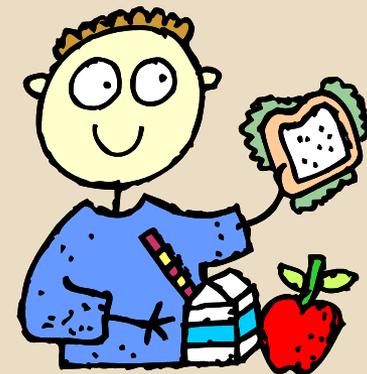
- Performance Standard 1—Financial viability and policy
- Performance Standard 2—Administrative capability and
- Performance Standard 3—Program accountability

Then, submit a new (complete) management plan for FY2012 and budget spreadsheet.

# Office Hours

(In accordance with 7 CFR § 226.6(b)(2)(vii)(B)(1), 7 CFR § 226.6(b)(2)(vii)(C)(3)), 7 CFR § 226.66(e), §§226.10(d) and 226.15(e), and §226.12(a))

- Supervisory staff must maintain office hours of 8:00 am – 5:00 pm, Monday through Friday as per management plan.
- Recordkeeping – records must be made available to ADE program reviewers at any time.



# Office Hours (cont)

- Maintains appropriate records to document compliance with program requirements, including budgets, accounting records, approved budget amendments, and, if a sponsoring organization, management plans and appropriate records on facility operations and management plan C.8.
- ADE retains the ability to maintain control of records during a review.

# Civil Rights Data Collection

- Enter the number of providers and monitor in the “Staff” section
- Enter the number of participants in the number of enrolled – children, not providers

**CHILD AND ADULT CARE FOOD PROGRAM (CACFP)  
CIVIL RIGHTS COMPLIANCE  
DATA COLLECTION**

**FY 2012**

CTD#: \_\_\_\_\_

DATE: \_\_\_\_\_

**# of children only**

**Providers and monitors**

<b>ENROLLED</b>	<b>ENROLLED %</b>	<b>SERVICE AREA</b>	<b>STAFF (DCH only)</b>
_____	_____	_____	_____

# New Additions to the Permanent Agreement

- DUNS number required
- Maintain general facility liability insurance
- Seriously Deficient for the following (in addition to existing agreement provisions)
  - Claiming for meals that do not meet program requirements
  - Failure to properly train or monitor facilities
  - Use of family childcare home funds for sponsor administration responsibilities
  - Failure to classify family childcare home providers as Tier 1 or Tier 2
  - Failure to perform financial and administrative responsibilities
  - Failure to operate program in conformance to performance standards
  - Conviction of institution or principals indicating lack of integrity
  - Institution or principals listed on the National Disqualified List
  - Any other action affecting the ability to administer the program in accordance with Program requirements
  - Failure to implement and administer family childcare home provider reviews and termination provisions
  - Institution or principals declared ineligible for any other public program which violated that program's requirements (unless reinstated/eligible for that program)

# COLA



## **Cost-Of-Living Adjustment (COLA)**

- Cost of living for FY2012 is 1%.
- Please remember that some items require specific prior approval (as covered last year). Your specialist can answer any questions specific to your given situation regarding items that need the specific written approval.

# Overview of the Three Types of Costs

## Generally Allowable Costs

- Are the customary costs that occur in the routine operation of the CACFP
- Are approved in advance by State Agency through the annual management plan and budget submission process



# Overview of the Three Types of Costs (cont)

## Costs Requiring Prior Approval

- Public Relations Costs
- Publications, Printing & Reproduction Costs
- Purchased Services
- Equipment Maintenance/Repair
- Utilities, Janitorial Service
- Travel
- Participant Training and Other Participant Support Costs
- Training – admin costs – space rental, speaker fees, child care, participant meal costs, materials

# Overview of the Three Types of Costs (cont)

## Costs Requiring Specific Prior Written Approval

- Sponsor needs to obtain written approval of both the cost and the amount of the cost before incurred
  - Day Care Home Licensing Standards Costs (up to \$300/home; available to each home only once)
  - Purchasing insurance that is not required by the SA

# 10% Carryover of Unspent Funds

- 10% of leftover funds can be carried over into next fiscal year. The rest has to be returned to the state agency.
- Because these are estimates, an amended budget must be submitted once the fiscal year close out has occurred.



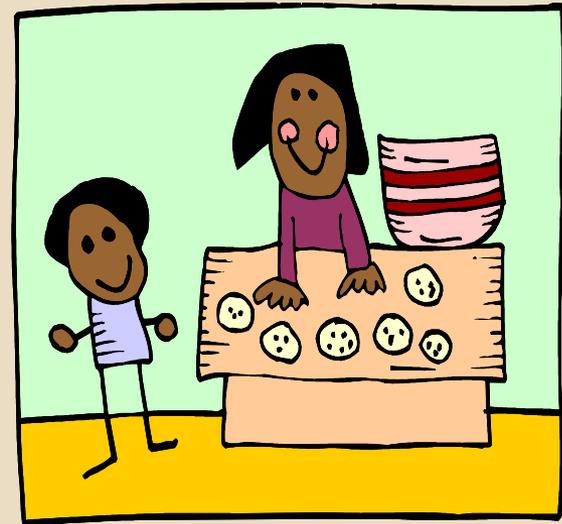
# 10% Carryover of Unspent Funds (cont)

## 10% Carryover Example

- Sponsor estimates administrative payments of \$100,000 during FY2011.
- Sponsor estimates incurring \$85,000 in admin costs during FY2011.
- Sponsor may carryover up to \$10,000 into FY2012 (\$100,000 x 10%)
- Sponsor must return \$5,000 to State Agency (\$15,000 – \$10,000)

# Rates x Homes

- Can only claim homes that are active during the month of claim (cannot include inactive or on-hold providers)



# Important Dates



- FY 2012 Renewal Application Due Date:  
September 1<sup>st</sup>
- FY 2013 Mandatory Renewal Training:  
July 17, 2012

# QUESTIONS?

