



State of Arizona  
Department of Education



Health and Nutrition Services Division

HNS# 31-2018

MEMORANDUM

**To:** All Participating Child and Adult Care Food Program (CACFP) Sponsors

**From:** Melissa Conner, Associate Superintendent  
Arizona Department of Education, Health & Nutrition Services Division

**Date:** July 13, 2018

**RE:** Electing to Operate a Pricing Program in the CACFP

*Original Signed*

The Code of Federal Regulations (7 CFR 226.23(c)) allows centers and sponsoring organizations to charge families for meals if they qualify for reduced-price or paid meals. Prices for reduced-price eligible children cannot cost more than 30 cents for breakfast, 40 cents for lunch or supper, or 15 cents for snacks. Sponsors wishing to elect this option must establish and abide by a policy statement that includes all requirements from 7 CFR 226.23(c)(1-6), and must continue to operate a non-profit food service program. Please note, this is not a requirement, and sponsors may continue operating a non-pricing program. Additionally, the option to charge for meals is not available to emergency shelters, at-risk afterschool care centers, or family day care homes.

All sponsors who wish to operate a pricing program must have operated the CACFP as a non-pricing program for at least 1 year, and must be in good standing with ADE (sponsors cannot be seriously deficient and the most recent review cannot have resulted in fiscal action).

To request approval to operate a pricing program, sponsors must contact their program specialist to receive additional guidance and materials for developing a pricing program policy statement.

The Pricing Program Policy Statement must meet the requirements of 7 CFR 226.23(c)(1-6), and clearly describe:

- The criteria and process for establishing free, reduced-price and paid eligibility;
- The method(s) to be used for accepting applications from families for free and reduced-price meals;
- The methods to be used for collecting payments;
- The hearing procedure to use when benefits are denied;
- How the identity of those eligible for free or reduced-price meals will be protected;
- Assurance that charges will not exceed the limits set forth in 7 CFR 226.23(c)(6).

**Diane M. Douglas, Superintendent of Public Instruction**

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This institution is an equal opportunity provider.

Additionally, sponsors must provide the following information to ADE as part of their request to operate a pricing program:

- The planned cost for full price meals and how that price is determined;
- A detailed description of how the additional income from paid meals will be collected and documented. (This must be maintained separate from monthly tuition).
- A description of how unpaid meal charges will be handled (children cannot be denied meals);
- Documentation that the program consistently maintains non-profit status;
- Documentation of how the income from the paid and reduced-price meals will be used to improve the CACFP operation and not other facility operations;
- Assurance that the added income from the paid and reduced-price meals will not lead to a for-profit operation;
- Assurance that the program will go back to non-pricing if the food program fails to maintain it's non-profit status.

Sponsors cannot begin charging families until they have submitted their pricing program policy statement and received approval from ADE.

If you have questions or concerns regarding this memo, please contact your CACFP Specialist, or the Specialist of the Day at (602) 542-8700 and Press 1 for the Community Nutrition Programs.