

April 25, 1997

SUBJECT: Elementary School Attendance Area Determinations: Two-Tiered  
Reimbursement Structure for Family Day Care Homes in the Child and Adult  
Care Food Program (CACFP)

TO: Regional Directors  
Special Nutrition Programs  
All Regions

The purpose of this memorandum is to clarify the documentation required when classifying a day care home as a tier I home on the basis of elementary school data. Specifically, we have been asked whether it is permissible for sponsoring organizations and State agencies to accept the providers' self-declaration of the elementary school serving their home as proof of residence in a particular elementary school attendance area as the sole form of documentation.

The law and the regulations (section 226.15(t), as amended by the January 7, 1997, interim rule) clearly place the responsibility for making tiering determinations on the sponsoring organization. Section 226.6(f)(2) requires each sponsoring organization to submit an amendment to its management plan by April 1, 1997, describing its system for making tier I day care home classifications, subject to review and approval by the State agency. Further, sponsoring organizations are ultimately liable for classifications which are not supported with proper documentation. State agencies must evaluate the documentation used by sponsoring organizations to classify day care homes as tier I homes as part of the review required by section 226.6(1). Section 226.14(a) requires State agencies to assess overclaims against sponsoring organizations for improper classifications.

In accordance with section 17(f)(3)(E)(ii) of the National School Lunch Act, as amended by P.L. 104-193, section 210.19(f) requires that a list of elementary schools in which at least 50 percent of enrolled children are eligible for free or reduced price meals be provided by the State agency administering the National School Lunch Program on an annual basis for use by sponsoring organizations in making tier I day care home determinations. As we indicated in our February 10, 1997, memorandum on the provision of elementary school attendance area information, sponsoring organizations must obtain attendance area information in order to make tier I day care home classifications using school data.

A sponsor's system of classifying a day care home as a tier I home on the basis of elementary school data may involve a sponsoring organization requesting that each provider identify the elementary school serving the home. However, a sponsoring organization may not rely on a provider's self-declaration for making a tier I determination. To comply with the law and regulations, a sponsor must independently determine and document attendance area information obtained from its providers. Most commonly, sponsors would obtain an official school-boundary identifying map, match provider addresses to the map's boundaries, and retain the map as documentation. If such maps were unavailable, this might instead involve contacting school officials to verify the attendance area of the schools serving its providers and documenting the results of this contact, either with a letter from school officials to the sponsor or with a

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memorandum to the files detailing the information provided by school officials and the name of the official(s) consulted.

These documentation requirements are necessary in order to ensure that tier I classifications are being made in accordance with the law, and to ensure that sponsoring organizations, and not the individual providers, are making the determinations. This is especially important given the significant financial benefit to a provider associated with classifying a day care home as a tier I home. The detailed State agency review requirements are necessary in order to further ensure that there is adequate management control over both the sponsoring organization's system for making tier I determinations, as well as the determinations themselves. These procedures will help ensure proper program management and integrity.

Please provide this information to your State agencies as soon as possible. If you have any questions concerning this memorandum please contact Melissa Rothstein or Ed Morawetz at (703) 305-2621.

**Original Signed**

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