



Food and
Nutrition
Service

Park Office
Center

3101 Park
Center Drive
Alexandria
VA 22302

DATE: September 20, 2017

MEMO CODE: CACFP 18-2017

SUBJECT: Clarifications: Funding Levels for FY 2018 Child and Adult Care Food Program Audit Fund Allocation

TO: Regional Directors
Special Nutrition Programs
All Regions

State Directors
Child Nutrition Programs
All States

This memo provides clarification of the procedures for State agencies requesting additional fiscal year (FY) 2018 Child and Adult Care Food Program (CACFP) Audit funding.

As discussed in memo CACFP 10-2016 issued on May 9, 2016, Section 335 of the Healthy, Hunger-Free Kids Act of 2010 (42 U.S.C. 1751 note) amended Section 17(i) of the NSLA to allow USDA to increase funding from 1.5 percent to a total of up to 2 percent of the funds used by each State agency in the Program during the second preceding year. Therefore in FY 2017, State agencies may request up to the maximum of 2 percent of the funds available to the State agency per the calculation in legislation.

On September 20, 2017, the Food and Nutrition Service (FNS) Regional offices were provided with State agency-by-State agency funding levels at the established 1.5 percent and the maximum of 2 percent for each eligible State agency in their respective Region.

Further, notice was provided at that time that State agencies have the opportunity to request up to the maximum of 2 percent at the beginning of FY 2018 and again at the end of the 2nd quarter of FY 2018. State agencies may not exceed a *cumulative* amount of 2 percent of the funds available for their use in any fiscal year.

Clarifications:

- **By Friday, October 13, 2017**, State agencies that recognize an existing need for additional funds to meet the Program requirements under 7 CFR 226.8 and 7 CFR 226.6, should send their funding level request to their respective FNS Regional offices.
- **No additional information is needed** from the State agency requesting additional funds. This was changed from the procedures outlined in memo CACFP 10-2016 to alleviate unnecessary burden.

The contents of this guidance document do not have the force and effect of law and are not meant to bind the public in any way. This document is intended only to provide clarity to the public regarding existing requirements under the law or agency policies.

- **By Friday, October 20, 2017**, FNS Regional offices should send all State agency funding requests to the FNS National at cnstatesystems@fns.usda.gov. Please be sure the Subject line contains “FY 2018 CACFP Audit Funds Request – [add Region and State(s) name].”
- **Reporting requirements have not changed.** State agencies must continue to report on the use of the CACFP Audit Funds on a quarterly basis on the FNS-777 *Financial Status Report* in the Food Program Reporting System (FPRS).
- **All State agencies will automatically receive 1.5 percent** CACFP Audit funds in their allocation at the beginning of FY 2018.
- **Additional funding will be added** to the FY 2018 CACFP Audit fund allocation for the State agencies requesting these funds as soon as all requests are processed.
- FNS Regional offices will be notified of the additional funds allocated to State agencies by the FNS National office and State agencies will receive notice of their funding increases by their respective Regional offices.
- State agencies that do not submit a request for additional FY 2018 funding at this time, or do not request the maximum of 2 percent, will have another opportunity to request additional funds at the end of the 2nd quarter of the fiscal year. FNS National office will issue a notice announcing this opportunity in March 2018.

State agencies with questions should contact their respective FNS Regional office. Regional office questions should be sent to Jess Saracino at jessica.saracino@fns.usda.gov.

Original Signed

Sarah E. Smith-Holmes
Director
Program Monitoring and Operational Support Division
Child Nutrition Programs