

JULY 2, 1993

Funding for CACFP Expansion to Low-Income Areas

Regional Directors
Child Nutrition Programs
All Regions

Public Law 101-147 provided for additional administrative payments to sponsoring organizations wishing to expand into rural and low-income areas. Policy memorandums issued on August 27, 1991 and March 3, 1992 on this provision stated that the availability of the expansion funding was on a "one time" basis only. This was based on the assumption that implementing regulations would be promulgated before sponsors had an opportunity to apply for expansion funds a second time. The proposed rule implementing this provision, which is currently in clearance, allows sponsoring organizations to receive expansion funds more than once under certain circumstances.

Given that the clearance of the proposed regulation has experienced significant delays, we are authorizing State agencies to provide expansion funds to sponsoring organizations more than once through this policy memorandum. We anticipate that most sponsoring organizations will be approved for expansion payments only once. However, if a sponsoring organization has satisfactorily expanded into the areas for which expansion fund application was originally made, it may apply for further expansion payments for expansion into other low-income and rural areas. This application must justify the need for further expansion and may be approved by the State only with the concurrence of the FNS regional office. A period of 12 months must elapse after the expiration of the time allotted to the sponsoring organization under its original expansion agreement with the State agency before the sponsoring organization can apply for further expansion funds.

We appreciate the comments provided by Regional office staff on the draft of this memorandum. However, the provisions in this memorandum are taken directly from the proposed regulation and any changes to this policy should be made in response to the public comments which will be solicited by the proposal.

As is our practice when a provision is implemented through a policy memorandum, we must advise that the regulation now in clearance may be changed during the clearance process. Therefore, States must be prepared to make modifications in the

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.

implementation of this provision should the policies in the final regulation differ from those in this memorandum.

If you have any questions concerning this issue, please contact Robert Eadie or Susan Azeka at 703/305-2621.

/ORIGINAL SIGNED/

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