

MEMORANDUM

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| **To:** | Sponsoring Organizations of the Child and Adult Care Food Program |
| **From:** | Robert M. Leshin, Director, Office for Food and Nutrition Programs |
| **Date:** | February 12, 2025 |
| **Subject:** | Annual Verification of Bank Account Activity for Sponsoring Organizations |

On August 23, 2023, the U.S. Department of Agriculture (USDA) Food and Nutrition Service (FNS) published the [Child Nutrition Program Integrity](https://www.federalregister.gov/documents/2023/08/23/2023-17992/child-nutrition-program-integrity) Final Rule and amended regulations at 7 CFR 226.7(b) and 7 CFR 226.10(c) to codify the requirement for an annual

reconciliation of bank account activity and accounting of reported actual expenditures with Child and Adult Care Food Program (CACFP) payments. This Final Rule was created to help the FNS and State agencies (SA) reduce program errors, resulting in more efficient

operations and improved compliance with the CACFP requirements. It is one of many steps that USDA is taking to ensure that federal child nutrition programs can serve the millions of children depending on them to reach their full potential.

On an annual basis, the Department of Elementary and Secondary Education’s (DESE) Office for Food and Nutrition Programs (FNP) is required to expand routine reviews of institutions’ finances through bank account activity, actual expenditures, meal

reimbursement funds retained from centers for administrative costs for CACFP Sponsoring Organizations (SO) of unaffiliated centers. FNP is responsible for assuring fiscal integrity of CACFP funds to ensure they are only spent on allowable costs. Comparing financial

records ensures that a sponsoring organization’s charges demonstrate financial viability and align with CACFP federal reimbursements.

***Changes to these provisions do not apply to independent centers (sponsors of 1 site) and School Food Authorities (SFAs) operating the CACFP and National School Lunch Program (NSLP).***

# Annual Verification of Bank Account Activity for Sponsoring Organizations

On an annual basis, FNP is required to select and compare one month of a SO’s CACFP bank account activity with supporting documents to verify that the financial transactions meet Program requirements. Acceptable source documents may include bank statements, itemized expense reports, canceled checks, electronic deductions and transfers, itemized



receipts, dated invoices, and other financial records that substantiate cash or credit card transactions. ***Documentation will be reviewed during the Administrative Review (AR) for any sponsors on the review cycle during the current fiscal year. The review month will be specified by the program reviewer at the time the AR is scheduled. For***

## sponsors who will not have an AR in the current fiscal year (FY), the documents must be uploaded to the CACFP Compliance Packet for a specified month. For FY 2025, the documents must be uploaded to the CACFP Compliance packet for the month of January 2025.

If unallowable costs are identified, FNP may expand the review to examine additional months of bank account activity. The findings may also require a full compliance review to include other elements of Program administration. Institutions must exhibit appropriate tracking and separation of funds.

# Annual Review of Actual Expenditures for Sponsoring Organizations of Unaffiliated Centers

Annually FNP is required to review reported CACFP expenditures for SO’s of unaffiliated centers by confirming funds are fully accounted for. By comparing reported expenditures with CACFP payments, FNP can ensure funds are being spent on allowable categories approved in the budget. This monitoring activity will also check that sponsoring organizations are adhering to the regulatory requirement at 7 CFR 226.16(b)(1), which

requires that the portion of the administrative costs to be charged to the Program may not exceed 15 percent of the meal reimbursements estimated or earned during the budget year.

To assist State agencies with the verification of actual expenditures, SO’s of unaffiliated centers must make an annual expense report available that:

* Details actual expenditures of CACFP funds and the amount of meal reimbursement funds retained from centers, if any, for administrative costs for the year to which the claims apply.
* Uses the same cost categories as the approved annual budget submitted by the SO.

SOs will be notified of this requirement via memorandum annually when the new fiscal year CACFP Application becomes available. The memo will specify whether the financial review will be completed during the Administrative Review or via the CACFP Compliance Packet.

# Below is a list of SOs required to undergo the financial review of bank account activity for the current fiscal year (FY25).

## The following documents must be uploaded in the FY25 Compliance Packet or available at the AR

* CACFP Monthly Financial Report
* Bank Statement
* Supporting Documentation for items appearing on the Bank Statement (i.e. itemized receipts, invoices, payroll documentation, documentation of disbursements made

to sponsored facilities)

All supporting documentation must be uploaded to the FY25 Compliance Packet no later than **March 28, 2025**. *Failure to do so may result in a serious deficiency determination*.

The Office for Food and Nutrition Programs will provide program operators with additional guidance, resources, and timelines over the next few weeks to ensure proper

implementation of this requirement codified in the Final Rule.

This memo and process will be discussed in the upcoming CACFP Town Hall on Thursday, February 13th at 12pm. Please use the following link to register for the event:

[https://us02web.zoom.us/meeting/register/tZIpcu6qqjMoHNxZzKTcdN7qEQMkWSUOGMq](https://us02web.zoom.us/meeting/register/tZIpcu6qqjMoHNxZzKTcdN7qEQMkWSUOGMqw)

[w.](https://us02web.zoom.us/meeting/register/tZIpcu6qqjMoHNxZzKTcdN7qEQMkWSUOGMqw) If you have any questions regarding this information, please contact your DESE consultant.

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| **Agreement Number** | **Sponsor Name** | **Financial Bank Statement Review via ADMINISTRATIVE**  **REVIEW** | **Financial Bank Statement Review via COMPLIANCE**  **PACKET** |
| 01-020-CF-560 | YMCA CAPE COD AFTER SCHOOL |  | X |
| 01-020-CF-594 | CRYSTAL GARDENS CHILDRENS CTR. | X |  |
| 01-224-CF-991 | Nauset Youth Alliance |  | X |
| 02-004-CF-895 | Youth Center, Inc. |  | X |
| 02-209-CF-46A | Child Care of the Berkshires | X |  |
| 02-209-CF-46B | CHILD CARE OF THE BERKSHIRES | X |  |
| 02-236-CF-2 | 18 Degrees |  | X |
| 02-236-CF-216 | GLADYS ALLEN BRIGHAM CTR. | X |  |
| 02-236-CF-645 | TOT SPOT, INC. |  | X |
| 02-236-CF-816 | KIDZONE CC EDUCATIONAL CTR INC |  | X |
| 03-027-CF-646 | CRAYON CAMPUS, LLC |  | X |
| 03-072-CF-238 | KIDDIE KAMPUS, INC. | X |  |
| 03-094-CF-361 | LITTLE PEOPLE'S COLLEGE, INC. | X |  |
| 03-095-CF-142B | CITIZENS FOR CITIZENS, INC. |  | X |
| 03-095-CF-27 | JOHN E. BOYD CENTER | X |  |
| 03-095-CF-307 | FAMILY SERVICE ASSOCIATION | X |  |
| 03-095-CF-432 | FAMILY SERVICE ASSOCIATION |  | X |
| 03-095-CF-750 | People Incorporated |  | X |
| 03-201-CF-149 | NORTH STAR LEARNING CENTERS |  | X |
| 03-201-CF-153 | P.A.C.E. - HEAD START PROGRAM | X |  |
| 03-201-CF-275 | Little People's College- New Bedford | X |  |
| 03-201-CF-327 | DENNISON MEMORIAL COMM. CENTER |  | X |
| 03-201-CF-473 | CHILDREN'S PARADISE, INC. | X |  |
| 03-201-CF-715 | YMCA SOUTHCOAST | X |  |
| 03-201-CF-831 | DAYS OF DISCOVERY, INC. | X |  |
| 03-293-CF-121 | TRIUMPH, INC. - HEAD START | X |  |
| 05-030-CF-173 | YMCA OF THE NORTH SHORE |  | X |
| 05-030-CF-  248A | Beverly Children’s Learning Center Inc. |  | X |
| 05-107-CF-269B | PATHWAYS FOR CHILDREN | X |  |

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| 05-128-CF-530 | SARAH'S PLACE ADULT DAY HEALTH | X |  |
| 05-128-CF-78B | COMMUNITY ACTION, INC. |  | X |
| 05-149-CF-123A | Community Day Care Center |  | X |
| 05-149-CF-123B | COMMUNITY DAY CARE CENTER, INC | X |  |
| 05-149-CF-198 | GR. LAWRENCE COMMUNITY ACTION |  | X |
| 05-149-CF-351 | YWCA of Northern Massachusetts | X |  |
| 05-149-CF-558 | MERRIMACK VALLEY YMCA |  | X |
| 05-149-CF-826 | LITTLE SPROUTS LLC |  | X |
| 05-163-CF-185C | GREGG NEIGHBORHOOD HOUSE ASSOC | X |  |
| 05-163-CF-233 | GIRLS INC. OF LYNN | X |  |
| 05-163-CF-35 | LYNN ECONOMIC OPPORTUNITY, INC |  | X |
| 05-163-CF-908 | Imagination Station Learning Center | X |  |
| 05-163-CF-973 | YMCA Of Metro North | X |  |
| 05-229-CF-941 | Angela's Preschool and Daycare |  | X |
| 05-258-CF-179 | SALEM COMMUNITY CHILD CARE | X |  |
| 06-114-CF-22 | GIRLS CLUB OF GREENFIELD, INC. | X |  |
| 06-114-CF-67B | COMMUNITY ACTION PIONEER VALLEY |  | X |
| 07-061-CF-122 | CHICOPEE BOYS & GIRLS CLUB INC |  | X |
| 07-137-CF-139B | VALLEY OPPORTUNITY COUNCIL |  | X |
| 07-137-CF-47 | HOLYOKE/CHICOPEE HEAD START | X |  |
| 07-137-CF-486 | GREATER HOLYOKE YMCA | X |  |
| 07-137-CF-487 | BOYS AND GIRLS CLUB OF HOLYOKE |  | X |
| 07-137-CF-970 | VCare Holyoke ADH | X |  |
| 07-159-CF-838 | PLAYFUL MINDS, LLC | X |  |
| 07-281-CF-16A | Square One | X |  |
| 07-281-CF-274 | YMCA of Greater Springfield |  | X |

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| 07-281-CF-788 | CENTER FOR HUMAN DEVELOPMENT |  | X |
| 07-281-CF-849 | SPRINGFIELD BOYS & GIRLS CLUB |  | X |
| 07-281-CF-873 | BEHAVIORAL HEALTH NETWORK | X |  |
| 07-281-CF-896 | Children's House Learning, Inc. |  | X |
| 07-325-CF-757 | BOYS & GIRLS CLUB OF WESTFIELD |  | X |
| 07-332-CF-846 | W.SPRINGFIELD BOYS & GRLS CLUB |  | X |
| 07-339-CF-  147XX | THE KID'S PLACE | X |  |
| 09-023-CF-52 | Clarendon Early Education Services, Inc. | X |  |
| 09-093-CF-164Z | THE COMMUNITY FAMILY |  | X |
| 09-093-CF-575 | CHILDREN'S PLAYHOUSE DAYCARE | X |  |
| 09-100-CF-187B | SOUTH MIDDLESEX OPPORTUNITY |  | X |
| 09-100-CF-874 | METROWEST YMCA |  | X |
| 09-155-CF-70Z | COOPERATIVE ELDER SERVICES,INC | X |  |
| 09-157-CF-86 | HANSCOM AFB CHILD CARE |  | X |
| 09-160-CF-11B | COMMUNITY TEAMWORK, INC. |  | X |
| 09-160-CF-796 | GREATER LOWELL FAMILY YMCA | X |  |
| 09-165-CF-416 | MYSTIC VALLEY YMCA | X |  |
| 09-165-CF-  445OS | KINDERCARE LEARNING CENTERS | X |  |
| 09-165-CF-  448OS | ACTIVE MA, INC. | X |  |
| 09-165-CF-65 | MALDEN YWCA | X |  |
| 09-165-CF-717 | ACCORD HEALTHCARE MANAGEMENT | X |  |
| 09-165-CF-836 | CHILDREN OF AMERICA | X |  |
| 09-274-CF-250 | COMMUNITY ACTION AGENCY, INC. |  | X |
| 09-274-CF-279 | MYSTIC LEARNING CENTER, INC. | X |  |

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| 09-274-CF-616 | SOMERVILLE YMCA |  | X |
| 09-308-CF-120 | COMMUNTIES UNITED, INC. | X |  |
| 09-308-CF-609 | WALTHAM BOYS & GIRLS CLUB |  | X |
| 11-018-CF-12 | SELF-HELP, INC. |  | X |
| 11-046-CF-140 | Child Development Health & Nutrition |  | X |
| 11-073-CF-872 | ADULT DAY HEALTH INC. | X |  |
| 11-199-CF-942 | Zdorovie ADH Needham |  | X |
| 11-243-CF-559 | SOUTH SHORE YMCA |  | X |
| 11-336-CF-182B | SOUTH SHORE STARS, INC. | X |  |
| 12-044-CF-378 | THE OLD COLONY Y.M.C.A. |  | X |
| 12-044-CF-496 | Boys & Girls Clubs of Metro South, Inc. |  | X |
| 12-239-CF-84 | SOUTH SHORE COMM. ACTION CNCL. |  | X |
| 13-035-CF-143 | CATHOLIC CHARITIES-BOSTON |  | X |
| 13-035-CF-18 | Boys & Girls Clubs of Dorchester |  | X |
| 13-035-CF-186 | LITTLE FOLKS DAY CARE CENTER |  | X |
| 13-035-CF-194 | A.B.C.D., INC. |  | X |
| 13-035-CF-19A | Nurtury Inc. | X |  |
| 13-035-CF-19B | Nurtury, Inc. |  | X |
| 13-035-CF-212 | ELLIS MEMORIAL/ELDREDGE HOUSE | X |  |
| 13-035-CF-230 | BOSTON CHINATOWN NGHBRHD CTR | X |  |
| 13-035-CF-246 | SO. BOSTON NEIGHBORHOOD HOUSE |  | X |
| 13-035-CF-266 | EAST BOSTON SOCIAL CENTERS | X |  |
| 13-035-CF-270Z | GR.BOSTON CHINESE GOLDEN AGE | X |  |
| 13-035-CF-346 | LITTLE PEOPLE'S PLAYHOUSE |  | X |
| 13-035-CF-423 | YMCA OF GREATER BOSTON |  | X |
| 13-035-CF-433 | INQUILINOS BORICUAS | X |  |
| 13-035-CF-626 | WEST END BOYS AND GIRLS CLUB |  | X |
| 13-035-CF-69 | PAIGE ACADEMY/BLACK GHETTO | X |  |

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| **Agreement Number** | **Sponsor Name** | **Financial Bank Statement Review via ADMINISTRATIVE**  **REVIEW** | **Financial Bank Statement Review via COMPLIANCE**  **PACKET** |
| 13-035-CF-756 | LITTLE VOICES EARLY CARE & ED. | X |  |
| 13-035-CF-790 | FUENTE DE VIDA ADHC | X |  |
| 13-035-CF-801 | B&G CLUB- BOSTON(ORCHARD/MATTAH | X |  |
| 13-057-CF-100B | C.A.P.I.C., INC. - HEAD START |  | X |
| 13-057-CF-  100C | C.A.P.I.C., INC. - DAY CARE |  | X |
| 14-015-CF-833 | ATHOL AREA YMCA |  | X |
| 14-017-CF-45B | PAKACHOAG ACRES DAY CARE CTR. |  | X |
| 14-054-CF-336 | Kids Unlimited Services, Inc. |  | X |
| 14-097-CF-116A | Children's Aid & Family Service Inc. |  | X |
| 14-097-CF-196A | Making Opportunity Count, Inc - HS & FDC | X |  |
| 14-097-CF-196B | MONTACHUSETT OPPORTUNITY CNCIL | X |  |
| 14-097-CF-  196C | MONTACHUSETT OPPOR. COUNCIL | X |  |
| 14-153-CF-881 | Spanish American Center, Inc. | X |  |
| 14-226-CF-181 | Yours For Children Inc. |  | X |
| 14-348-CF-188B | WORCESTER COMPRHNSV CHILD CARE | X |  |
| 14-348-CF-  206B | RAINBOW CHILD DEVELOPMENT CTR. |  | X |
| 14-348-CF-219 | FRIENDLY HOUSE, INC. |  | X |
| 14-348-CF-313 | WORCESTER COMM. ACTION |  | X |
| 14-348-CF-850 | YMCA OF CENTRAL MASS. |  | X |
| 14-348-CF-8B | GUILD OF SAINT AGNES |  | X |