**Child Nutrition Emergency Operational Costs**

Over the next few slides, we will cover a few highlights from our most recent Q&A guidance.

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**Allowable Use of Funds**

- Program operators may use the funding to cover any allowable costs such as:
  - Staff salaries;
  - Rent and utilities;
  - Equipment (i.e., refrigerators); or
  - Food costs.
- This includes the use of EOC funds to reimburse out-of-pocket expenses that supplemented the Nonprofit Food Service account/meal service operations during the pandemic.
  - Program operator must maintain documentation supporting their expenditures in line with normal CACFP requirements.
- Any remaining funds must be retained in the Nonprofit Food Service account and be used in accordance with normal CACFP requirements.
- These funds do not expire once deposited to the nonprofit food service account.

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**Child Nutrition Emergency Operational Costs (EOCs)**

**Statutory Authority and Overview**

- **Reimbursement Programs**
  - School Programs Emergency Operational Costs Reimbursement Program
  - Child and Adult Care Food Program Emergency Operational Costs Reimbursement Program
- **Eligible program operators include:**
  - School Food Authorities
  - CACFP Institutions
  - Day Care Homes
  - Unaffiliated Centers

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**Eligibility**

- CACFP Emergency Operational Costs Reimbursement Program eligibility is limited to institutions, day care homes and unaffiliated centers that filed valid CACFP claims for any of the months of September – December 2020 or have provided assurance to their State agency that they will file a claim within the first 90 days after the end of the public health emergency.
- When State agencies calculated payments for CACFP operators, if the program operator had higher claims in March, April, May, or June of 2020 than in the same month in 2019, then the program operator would not receive emergency funds for that month.

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**Implementation/Payment Timeframe**

- Your State agency is currently working to implement these programs and will provide you with information on payment eligibility.
- The date/time when your State agency will begin distributing payments will vary based on a number of factors.
  - September 30, 2021 is the deadline for State agencies to identify their needs for funds, and receive funds from USDA.
  - January 31, 2022 is the deadline for State agencies to distribute the funds to their operators.
• Operators do not need to do anything to receive their funds, unless you are asked by your State agency to complete an assurance statement. This will only occur in the case that you temporarily closed your site during or after the public health emergency.

Q: May State agencies allow sponsors of affiliated centers to retain up to 15% of the payment to cover administrative expenses?
A: Sponsoring organizations of affiliated centers may follow the same processes they use to distribute monthly meal reimbursements, which includes retention of up to 15% for administrative expenses, as applicable.

Q: If a program operator is currently declared seriously deficient or has outstanding administrative review findings (i.e., they are not presently in good standing), are they still eligible for payments?
A: Yes. As long as a program operator has not been terminated or suspended pending termination from the applicable Child Nutrition program(s), they are still eligible to receive EOC payments, regardless of their current standing.
However, if an institution, day care home, or unaffiliated center has been suspended or terminated from their participation in the CACFP for cause, or if they have been placed on the National Disqualified List (NDL), they are not eligible to receive a payment.
Q: If a program operator filed valid claims during an applicable reference month (March – June 2019) but terminated their participation in the Child Nutrition Programs prior to September 2020 (i.e. no intent to return to CN operations), are they entitled to a payment?

A: No. A program operator who terminated their participation in the Child Nutrition Programs (i.e. their agreement with the State agency or sponsoring organization) prior to September 2020 is not entitled to an emergency operational costs reimbursement payment because they do not meet the statutory requirements for participation during September 2020 - December 2020.

Q: Are payments owed to CACFP unaffiliated centers and day care homes that have left their previous sponsoring organization and have not yet established an agreement under another sponsor?

A: In order to receive a payment, a CACFP unaffiliated center or day care home must be operating the CACFP under an agreement with an approved sponsoring organization per the requirements for sponsored facilities. Upon entering into a new agreement following any gap in program participation, such providers may work with their new sponsoring organization (which would then work with their State agency) to determine if a CACFP Emergency Operational Costs Reimbursement Program payment is owed.

Q: Are CACFP program operators required to amend their budget?

A: CACFP program operators should follow their State agency’s normal requirements and procedures for making budget amendments, as applicable. However, FNS has encouraged State agencies to streamline and simplify any budget amendment requirements in order to support program operators and provide flexibility during this challenging time.

Q: May local program operators request a revision of the payment amount(s) calculated by and offered to them by their State agency and/or Sponsor?

A: State agencies may consider requests from local program operators who seek a revision of their calculated payment amounts at their own discretion.

Your State agency has been encouraged, at minimum, to demonstrate how payments were calculated (if this information was not previously shared through other communications or technical assistance). However, the state agency is not required to consider these requests.

In the case that a sponsored day care home or unaffiliated center disputes a payment amount calculated by their sponsoring organization, the sponsoring organization should notify their State agency, which may adjudicate at their discretion.