



United States
Department of
Agriculture

July 1, 2005

Food and
Nutrition
Service

SUBJECT: CACFP Policy # 03-05: Documenting Reasons for Block Claims by
Child Care Centers and Day Care Homes

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TO: State Directors
Child and Adult Care Food Program
All States

Regional Directors
Child Nutrition Programs
All Regions

Effective October 1, 2005, sponsoring organizations must comply with new regulatory requirements pertaining to conducting unannounced reviews of facilities as a result of a “block” claim. A block claim is a claim with no variation in meal counts, for any single meal type or combination of meal types, for any continuous 15 day period within the claim month. The purpose of this memorandum is to provide additional guidance regarding the conduct of the unannounced follow up reviews required within 60 days of the submission of a block claim.

Sponsors must conduct an unannounced follow up review each time a facility submits a block claim. However, if a sponsor is able to determine and document that there is a valid reason for the block claim, the sponsor is not required to conduct another “block claim related” unannounced follow up review of the facility for the remainder of that annual review cycle. We have determined that the intent of this requirement can be met, under certain circumstances, by permitting sponsors to evaluate and document the reason for a block claim prior to its submission. This will enable sponsoring organizations to provide effective oversight of Program integrity, while also promoting efficient use of sponsor resources.

Therefore, beginning with reviews conducted on or after August 1, 2005:

- if a sponsor conducting an unannounced review of a facility observes a block claim in the facility’s meal/menu records,
- and the sponsor is able to determine and document that a valid reason exists for the block claim,
- then the sponsor will be exempt from conducting the follow up review, normally required to be conducted within 60 days of detecting the block claim, for the remainder of the current review year.

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.

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It is important to note that this guidance applies only to situations where the sponsoring organization determines the cause of a block claim during an unannounced review conducted **prior** to the facility's first submission of a block claim during the current review year. If a sponsor receives a meal count/claim from a facility that includes a block claim, the cause of which has not been determined prior to its submission, the sponsor must conduct an unannounced review of the facility within 60 days of receipt of its meal count/claim.

It is also important to clarify the meaning of "the remainder of the current review year". To provide some relief to sponsors in the initial stages of implementation, if a block claim is determined to be valid during August or September of 2005, the sponsor is exempt from conducting "block claim related" unannounced reviews through the remainder of the current review year, or for the remainder of a review year ending on September 30, 2006. Thus, if the review year runs from October 1, 2005-September 30, 2006, and a facility's block claim is determined to be valid in August or September of 2006, the sponsor is exempt from conducting a block claim related unannounced review of that facility until another block claim is detected on or after October 1, 2006.

We would like to stress that "valid reasons" for the existence of a block claim that would exempt the sponsor from conducting additional unannounced follow up reviews for the 12-month period are limited to those reasons discussed in the preamble to the interim rule (69 FR 53501, September 1, 2004); in the questions and answers on that rule issued on September 1, 2004, and December 23, 2004; and in the training materials on the second interim rule that are being forwarded to State agencies in the near future. As is the case when sponsor monitors document a legitimate reason for submission of a block claim identified by an edit check, the reasons for a block claim identified prior to the submission of a block claim must also be specific to the facility, and must be well-documented.

We intend this option to allow for the most efficient use of sponsor resources, consistent with the need to properly implement this important integrity requirement. Please let us know if there are any questions concerning this guidance.



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