



Guidance Memorandum 2: **CACFP Reimbursement - *USDA Rates of Reimbursement***

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**Community Nutrition Programs
 Child and Adult Care Food Program (CACFP)
[State Agency Guidance Memorandums](#)**

Applies To: All Independent Centers and Sponsoring Organizations

The CACFP provides reimbursement for assisting participating agencies in covering costs for serving meals and snacks to their enrolled participants when meeting the Program requirements. CACFP funds are intended to enable participating agencies to serve higher quality foods and more nutritious meals.

2.1 USDA Reimbursement Rates

CACFP reimbursement consists of two types:

Program Meal Reimbursement - Meal Rates per Need Category:

This reimbursement type is based on the number of meals served to enrolled participants multiplied by the rates of reimbursement for each meal type. Listed below are the current reimbursement rates per need category and meal type:

Effective July 1, 2016 through June 30, 2017

	Breakfast	Lunch/Supper	Snack
Non-Needy	\$.29	\$.30	\$.07
Reduced	\$1.41	\$2.76	\$.43
Free	\$1.71	\$3.16	\$.86

**Cash-in-Lieu-of USDA Foods (formerly Commodities) Reimbursement –
 Effective July 1, 2016 through June 30, 2017: \$0.2300 per lunch and supper**

A reimbursement amount of \$0.2300 for each lunch and supper claimed will be paid in addition to the Program meal reimbursement explained above.

DPI's decision for offering either USDA Foods or cash-in-lieu of USDA foods to all participating agencies in the CACFP is based on an annual survey process.

2.2 Claim Processing System

Under CACFP regulations, the Wisconsin Department of Public Instruction (DPI), which is the State agency delegated by USDA with the administering authority over the CACFP, must choose the method of reimbursing independent centers and sponsoring organizations of centers [7CFR 226.11(c)(5)(iii)]. DPI has chosen to use the claiming percentage method for computing the dollar amount of reimbursement paid to all participating centers and sponsors of centers in the state. This computation is automatically calculated once a reimbursement claim is submitted online or entered by the DPI Federal and State Grants Program.

For Group Child Care Centers, Outside of School Hours Care Centers, and Adult Care Centers:

The claiming percentage method for computing reimbursement is intended to simplify the task for agencies in preparing the monthly reimbursement claim. This method does not require the daily meal counts recorded for each meal to be identified by each enrolled participant and his/her need category (non-needy, reduced, and free). It is only necessary to record the total count of participants served reimbursable meals by meal type (breakfast, lunch, supper, and each snack). The total meal counts for reimbursable meals served and the total number free, reduced, and non-needy participants enrolled for the month are reported as two separate parts on the reimbursement claim

The Claiming Percentage Method for Calculating Reimbursement:

This method requires agencies to submit enrollment data (the number of participants who have been determined as eligible for each of the three need categories, Free, Reduced, and Non-needy) and total monthly meal counts by meal type for meals served to the agency’s enrolled participants that met the USDA meal pattern requirements, on a per site basis.

➤ **In essence, the reimbursement calculation is:**

Enrollment data % (per need category) X the # of total meal counts for each meal type

Enrollment data: for the requirements on determining the monthly enrollment data, refer Guidance Memorandum 1 (1C for child care centers and 1A for adult care centers), *CACFP Requirements for Household Size-Income Statements and Determining Eligibility*.

Meal Counts: for the requirements on recording meal counts, refer to Guidance Memorandum 9 (9C for child care centers and 9A for adult care centers), *CACFP Recordkeeping Requirements*.

Reimbursement Claim: for the requirements on the information required to be submitted on the monthly claim, refer to Guidance Memorandum 3 (3C for child care centers and 3A for adult care centers), *CACFP Claims Submission and Processing*.

The following example explains and illustrates the claiming percentage method for calculating CACFP reimbursement:

A center is submitting a monthly claim with the following information:

Enrollment Data for Participants: the center has a total enrollment of 30 participants: 8 are Free; 7 are Reduced; and 15 are Non-needy.

Monthly Totals of Meal Counts for each Meal Type: 400 breakfasts and 440 lunches.

➤ **The First Step:** the percentage of participants in each of the three need categories (non-needy, reduced, and free) is calculated using the agency’s reported numbers of participants in each of these need categories and the total number of enrolled participants.

- Based on this center’s reported numbers, the calculation of the percentage for each need category would be:

8	in the free category	÷	30 enrolled	=	27 percent
7	in the reduced category	÷	30 enrolled	=	23 percent
15	in the non-needy category	÷	30 enrolled	=	50 percent

➤ **The Second Step:** these percentages (rounded to a whole number) are then multiplied by the total number of claimed meals for each meal type.

Breakfast: 400 claimed

Free	27% x 400	=	108
Reduced	23% x 400	=	92
Non-needy	50% x 400	=	200

Lunch: 440 claimed

Free	27% x 440	=	119
Reduced	23% x 440	=	101
Non-needy	50% x 440	=	220

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- **The Third Step:** the number of non-needy, reduced, and free meals (rounded to whole numbers) for each meal type are multiplied by their respective meal rates.

July 1, 2016

	# of Meals		Meal Rate		
Free Breakfasts	108	X	\$ 1.71	\$	184.68
Reduced Breakfasts	92	X	\$ 1.41	\$	129.72
Non-needy Breakfasts	200	X	\$ 0.29	\$	58.00
Free Lunches	119	X	\$ 3.16	\$	376.04
Reduced Lunches	101	X	\$ 2.76	\$	278.76
Non-needy Lunches	220	X	\$ 0.30	\$	66.00
Total Program Meal Reimbursement:					\$ 1,093.20
Cash-in-Lieu of USDA Foods Calculation					
Total # of Lunches			440		
			X		+
Cash-in-Lieu of USDA Foods	Reimbursement Rate		\$ 0.2300		
Total Cash-in-Lieu of USDA Foods Reimbursement					\$ 101.20

Grand Total Reimbursement: \$ 1,194.40

Reimbursement Calculation Worksheet:

The *Reimbursement Calculation Worksheet* is an Excel spreadsheet posted under this Guidance

Memorandum, on the DPI's Guidance Memorandum website, which can be used to estimate monthly and annual reimbursement for each site and as a total for all sites for sponsoring organizations.

[Reimbursement Calculation Worksheet](#)

Instructions: Within the spreadsheet, enter the estimated number of participants in the non-needy, reduced, and free categories. Then, enter the estimated number of meals counts for each meal type that would be claimed in a typical month.

- Formulas within the spreadsheet will automatically calculate the estimated monthly and annual totals, which will be shown in the lower right corner.

At-Risk Afterschool Program, Emergency Shelter, and Head Start Sites:

For these sites, all meals and snacks claimed receive the free meal rate for Program meal reimbursement plus the Cash-in-Lieu-of USDA Foods rate for lunches and suppers.

2.3 ADVANCE PAYMENTS

The DPI does not offer advance reimbursement payments to independent agencies (having 1 site) and sponsoring organizations (having more than one site) of child and/or adult care centers.