MEMORANDUM

TO: All Child and Adult Care Food Program Administrators

FROM: Mary A. Young, Program Manager
Child and Adult Care Food Program

SUBJECT: Permanent Agreements in the Child and Adult Care Food Program, CACFP Policy 11-15

The Healthy, Hunger-Free Kids Act of 2010 (the Act), Public Law 111-296, was signed into law by the President on December 13, 2010. The Act modifies requirements for permanent agreements in the Child and Adult Care Food Program (CACFP). The purpose of this memorandum is to implement these modifications to the CACFP.

Section 331(a) of the Act amends section 17(d)(1) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1766(d)(1)) to require permanent operating agreements between the State agency and institutions participating in the CACFP. Previously, under 7 CFR 226.6(b)(4), permanent agreements were required for School Food Authority (SFA) sponsors and were optional and granted solely at the discretion of the State for other sponsors.

It is important to understand that describing the agreement as “permanent” is intended solely to convey that the agreement has no predetermined expiration date and does not need to be renewed. Such agreements may be amended as necessary to ensure compliance with all federal requirements. Such agreements may be terminated for convenience, in accordance with Program regulations, by the institution or State agency that is a party to the permanent agreement. Permanent agreements shall be terminated for cause by the State agency if the institution fails to adhere to program requirements.

The provisions requiring permanent agreements for the CACFP are retroactive to October 1, 2010. Therefore, all new CACFP agreements between the South Carolina Department of Social Services and institutions entered into on or after October 1, 2010 must be permanent. Additionally, all current annual agreements must be converted to permanent agreements. SCDSS will convert the current agreements that are scheduled to end either September 30, 2012 or September 30, 2013 through the issuance of a Contract Change Order document.
Institutions that participate in the CACFP must continue to submit budgets as required under 7 CFR 226.7(g).

Additional provisions in sections 331(b) and (c) of the Act relating to CACFP applications, reviews, and agreements between sponsors and facilities will be addressed in future guidance.

Please contact your CACFP consultant if you have any further questions concerning this policy.