

Section 9000

Terms, Definitions and

Acronyms

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Terms, Definitions and Acronyms

9100 Terms and Definitions

Accountable – The new, renewing or updating sponsoring organization has in place internal controls to assure that Program funds for meals and administrative expenses are properly spent.

Administrative Costs – Costs incurred by a sponsoring organization related to planning, organizing, and managing a food service under the Program, and allowed by the TDA (e.g., expenses associated with outreach and recruitment of unlicensed or unregistered day care homes and the allowable licensing/registering related expenses of such homes).

Administrative Payments – Payments that are made to contractors for expenses they incur when sponsoring day care homes.

Administratively Capable – The new, renewing or updating sponsoring organization has documented they have the staffing and expertise to meet all of the Program's requirements.

Adopted Child – An adopted child for which a household has legal responsibility is considered to me a member of the household.

Advance Payments – Financial assistance made available to a sponsoring organization for its Program costs prior to the month in which such costs will be incurred. A full advance payment is 100 percent of the estimated amount that a contracting organization would earn during the month for which the advance payment is issued, and a partial advance is 50 percent of that same amount.

Aggregate – The whole sum or amount (i.e. the total meal count by types for any day).

Agreement – An understanding between two or more parties that is duly executed and legally binding.

Alternate Form – A form developed by an entity other than TDA to be used in place of a TDA form.

Annually – Once during each Program Year.

Appeal – The fair hearing provided upon request to:

- a) A sponsoring organization that has been given notice by the TDA of any action or proposed action that will affect the sponsoring organization’s participation or reimbursement under the Program;
- b) A principal or individual responsible for a sponsoring organization’s serious deficiency after the responsible principal or responsible individual has been given a notice of intent to disqualify them from the Program; and
- c) A day care home that has been given a notice by the sponsoring organization of any action or proposed action that will affect the day care home’s participation or reimbursement under the program.

Block Claim – A claim for reimbursement submitted by a provider in which the number of meals claimed for one or more meal type (breakfast, lunch, snack, or supper) is identical for 15 consecutive days within a claiming period. In Texas, providers do not submit a “claim” to their sponsoring organization. Instead, they submit documentation of their meal counts. This documentation is considered a claim.

Business Related Offense – A business related offense includes fraud, antitrust violations, embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, receiving stolen property, making false claims, obstruction of justice, or any other activity indicating a lack of business integrity.

CACFP – The Child and Adult Care Food Program.

Children – Includes:

- a) Persons age 12 and under;
- b) Persons age 15 and under who are children of migrant workers;
- c) *Persons with disabilities*, as defined in this section;
- d) For emergency shelters, persons age 18 and under; and
- e) For at-risk afterschool care centers, persons age 18 and under at the start of the school year.

Child Away at School – A child who is temporarily away at school (i.e., attending boarding school or college) should be counted as a member of the household.

Child Living with One Parent, Relative, or Friends – In cases where no specific agency or court is legally responsible for the child and the child is living with one parent, other relative, or friends, they are considered to be a member of the household with whom they reside. Children of divorced or separated parents are generally part of the household that has custody.

Commodities – Foods donated by the United States Department of Agriculture (USDA).

Complete Monitoring Review – A monitoring review that covers all the requirements on Form H1607, *Monitor Review*.

Contract – A binding agreement where there is an “exchange of legal consideration” (i.e., legally enforceable).

Contractor – See “Sponsoring Organization” as defined in this section.

Current Income – Income received during the month prior to application for free or reduced-price meals. If such income does not accurately reflect the household's annual income, income shall be based on the projected annual household income. If the prior year's income provides an accurate reflection of the household's current annual income, the prior year may be used as a base for the projected annual income.

Day Care Home – An organized nonresidential child care program for children enrolled in a private home, licensed or registered by the Texas Department of Family and Protective Services or by an alternate licensing authority. Day care homes must operate under the sponsorship of a sponsoring organization.

Days – Calendar days unless otherwise specified.

Disqualified – The status of a sponsoring organization or responsible principal or responsible individual, or a day care home that was declared seriously deficient and placed on the National Disqualified List.

Economic Unit – A group of related or unrelated people who share housing and all other significant income and expenses.

Edit Check – A method of comparing information on a claim to other available information to determine the validity of the claim.

Eligible Area – For the purpose of determining the:

- a) Eligibility of at-risk afterschool care centers, the attendance area of an elementary, middle, or high school in which at least 50 percent of the enrolled children are certified eligible for free or reduced-price school meals; or
- b) Tiering status of day care homes, the area served by an elementary school in which at least 50 percent of the total number of children are certified eligible to receive free or reduced-price meals, or the area based on census data in which at least 50 percent of the children residing in the area are members of households that meet the income standards for free or reduced-price meals.

Emancipated Child – A child living alone or as part of a separate economic unit is not considered to be a member of a provider household.

Enrolled Child – A child whose parent or guardian has submitted a signed document that indicates that the child is enrolled for child care. Any child who could be in attendance, for the purpose of receiving child care and at least one CACFP meal, would be an enrolled child. For at-risk afterschool care centers, outside-school-hours care centers, or emergency shelters, the term “enrolled child” or “enrolled participant” does not apply.

Expansion Funds – Financial assistance made available to a sponsoring organization for its administrative expenses associated with expanding a food service program to day care homes located in low-income or rural areas. These expansion payments may include administrative expenses associated with outreach and recruitment of unlicensed/unregistered day care homes and the allowable licensing/registering related expenses of such homes.

Expendable Equipment – All equipment, other than nonexpendable equipment, with a useful life of less than one year.

Family – A group of related or non-related individuals who are not residents of an institution or boarding house but who live as one economic unit (i.e., share expenses).

Family Members Living Apart – Family members living apart on a **temporary basis** are considered household members. Family members living apart for **extended periods** are not considered members of the household for the purposes of determining eligibility, but money made available by them to the household is considered income to the household. **Example:** extended overseas military duty.

FDPIR Household – Any individual or group of individuals that is currently certified to receive assistance as a household under the Food Distribution Program on Indian Reservations.

Financially Viable – The new, renewing or updating sponsoring organization has the financial resources to meet all of the Program’s requirements.

Firm Fixed-price Contract – A contract in which the price paid to the supplier is on a lump sum or unit basis.

Fiscal Year – A period of 12 calendar months that constitutes as a contractor’s accounting year.

Five-day Reconciliation – A comparison of meal counts to enrollment and attendance records over a period of five consecutive days.

Food Component – One of the food groups that contributes to a reimbursable meal (e.g., fruit/vegetable).

Food Item – One of the food servings that contributes to a reimbursable meal (e.g., two servings of vegetables or fruits, or one of each).

Food Service Management Company – An organization, other than a public or private nonprofit school, with which a contractor may sign a contract for preparing, and unless otherwise provided for, delivering meals, with or without milk, for use in the CACFP.

Food Service Payments – Monies that TDA sends to sponsoring organizations to reimburse their providers for the allowable meals that they have served.

Foster Child – Foster children who reside in the provider’s home are not reported as a member of the household on Form H1531-P, and income received by the provider to care for the foster child is not reported on Form H1531-P.

Foreign Exchange Student – A foreign exchange student is considered to be a member of the household in which they reside, i.e., the “host” family.

Frontloading – Conducting a majority of monitoring reviews early in the Program Year.

Head Start Participant – A child currently receiving assistance under a federally-funded Head Start Program who is categorically eligible for free meals in the CACFP by virtue of meeting Head Start’s low-income criteria.

Hearings Official – The independent and impartial official who conducts the hearing.

Historically Underutilized Business – Any legal entity, including a corporation, sole proprietorship, or joint venture that is formed for the purpose of making a profit and in which at least 51 percent of all ownership interest in the entity is owned by one or more persons who

are socially disadvantaged because of their identification as members of certain groups, including African Americans, Hispanic Americans, Native (Indian) Americans, and women. In addition to 51 percent ownership, individuals who are members of at least one of the above groups must have a proportionate interest and demonstrate active participation in the control, operation, and management of the entity's affairs.

Household – Means “family” as defined in this section.

Household Contact – A contact made by a sponsoring organization or TDA to an adult member of a household with a child in a day care home, in order to verify the attendance and enrollment of the child and the specific meal service(s) which the child routinely receives while in care.

Income – Any money received on a recurring basis.

Income Standards – The family size and income standards prescribed annually by USDA for determining eligibility for free and reduced-price meals under the National School Lunch Program and the School Breakfast Program.

Income to the Program – Any funds used in a sponsoring organization's food service except Program payments. Examples include, but are not limited to, funds from other government sources, children's payments for meals and food service fees, cash donations, and grants from organizations or individuals.

Infant Cereal – Any iron-fortified dry cereal specially formulated for and generally recognized as cereal for infants that is routinely mixed with breast milk or iron-fortified infant formula prior to consumption.

Infant Formula – Any iron-fortified formula intended for dietary use solely as a food for normal, healthy infants; excluding those formulas specifically formulated for infants with inborn errors of metabolism or digestive or absorptive problems. Infant formula, as served, must be in liquid state at recommended dilution.

Institution – A sponsoring organization, that enters into an agreement with TDA to assume final administrative and financial responsibility for Program operations.

Institutionalized Child – If a child resides in an institution, i.e., a state school or other residential facility that is not a boarding school or college, the child would NOT be considered to be a member of the provider household.

Internal Controls – The policies, procedures, and organizational structure of a sponsoring organization designed to reasonably assure that:

- a) The Program achieves its intended result;
- b) Program resources are used in a manner that protects against fraud, abuse, and mismanagement and in accordance with law, regulations, and guidance; and
- c) Timely and reliable Program information is obtained, maintained, reported, and used for decision-making.

Key Activities – Essential CACFP activities, as defined by TDA, performed to meet the requirements of the Program.

Lactose Intolerance – A term used to describe the inability to digest or absorb lactose, a type of sugar found in milk and milk foods.

Legitimate Block Claim – A block claim that is an accurate meal count.

Low-income Area – A geographical area in which at least 50 percent of the children are eligible for free or reduced price school meals under the National School Lunch Program and the School Breakfast Program.

Meals – Food that is served to enrolled children at a day care home and which meets Program requirements.

Milk – Pasteurized fluid types of unflavored or flavored whole milk, low fat milk, skim milk, or cultured buttermilk, which meet State and local standards for such milk. All milk should contain vitamins A and D at levels specified by the Food and Drug Administration and consistent with State and local standards for such milk.

Monitoring Review Averaging – Conducting the same total number of annual monitoring reviews (three times the number of sponsored facilities) by reviewing some providers twice a year and other providers three or more times per year.

Monitoring Review Cycle – How often providers must be reviewed.

National Disqualified List – The list, maintained by USDA, of contracting organizations, responsible principals and responsible individuals, and day care homes disqualified from participation in the Program.

Net Costs – The maximum reimbursable cost of operating the program arrived at by subtracting any income to the program from program operating expenses.

New Day Care Home/Provider – A provider that has no previous experience in the CACFP, has had a break in service, or has transferred from one sponsor to another sponsor.

Nonexpendable Equipment – All equipment with a useful life of more than one year.

Nonparticipating Provider – A provider that does not claim meals or did not serve any reimbursable meal/meals for a given month is considered to be “not participating in the Program for the claim month”, and cannot be included in the sponsor’s claim for reimbursement.

Nonpricing Program – A day care home in which there is no separate identifiable charge made for meals served to enrolled children.

Nonprofit Food Service – All food service operations conducted by the sponsoring organization principally for the benefit of enrolled children, from which all of the Program reimbursement funds are used solely for the operations or improvement of such food service.

Nonresidential provider – A provider that does not keep the same children for more than 24 hours on a regular basis.

Operating Costs – Expenses incurred by a sponsoring organization in serving meals to children under the Program.

Participants – See “Children” as defined in this section.

Participating Provider – A provider that claims meals for a given month is considered to be “participating in the Program for the claim month,” and can be included in the sponsor’s claim for reimbursement.

Personal Property – Property of any kind except real property. It may be tangible (having physical existence such as fax machines, printers, copiers) or intangible (having no physical existence such as patents, inventions, and copyrights).

Persons with Disabilities – Persons of any age who have one or more disabilities, as determined by the State, and who are enrolled in an institution or child care facility serving a majority of persons who are age 18 and under.

Potential Contractor – A sponsoring organization or independent center applying to participate in the Program for the first time or applying to participate in the Program after a lapse in participation.

Principal – Any individual who holds a management position within, or is an officer of, a sponsoring organization, including all members of the sponsoring organization's board of directors.

Procurement – An orderly process of acquiring food, meals, equipment, other goods, and services whether by lease or purchase.

Program – The Child and Adult Care Food Program authorized by section 17 of the National School Lunch Act, as amended.

Program Payments – Financial assistance in the form of advance payments or reimbursement paid or payable to contracting organizations for operating costs and administrative costs.

Program Year (PY) – A period of 12 calendar months beginning October 1 of any year and ending September 30 of the following year.

Provider – A person who provides care for children in a day care home.

Provider's Own Children – All residential children in the household who are part of the economic unit of the family.

Provider Profile – The criteria established by the sponsoring organization who has implemented monitoring review averaging to determine which providers receive two, three, or four monitoring reviews.

Publicly Funded Program – Any program or grant funded by public funds included, but not limited to, federal, state, or local government funds.

Reimbursement – Federal financial assistance paid or payable to contracting organizations for Program costs within the rates assigned by the TDA.

Renewing Contractor – A sponsoring organization or independent center that is participating in the Program at the time it submits a renewal application.

Resident Child – A child who is a resident of the provider's home. A resident child may include the provider's own child, a foster child, or an adopted child.

Responsible Principal or Responsible Individual –

- a) A principal, whether compensated or uncompensated, who TDA or USDA determines to be responsible for a contracting organization's serious deficiency;
- b) Any other individual employed by, or under contract with, a contracting organization, who TDA or USDA determines to be responsible for the serious deficiency; or
- c) An uncompensated individual who TDA or USDA determines to be responsible for a contracting organization's serious deficiency.

Rural Area – Any geographical area in a county which is not a part of a Metropolitan Statistical Area or any “pocket” within a Metropolitan Statistical Area which is determined to be geographically isolated from urban areas.

Secondary Verification – A means of verifying information, either when the first or primary means of verifying the information has failed or was inconclusive, the first means of verification is not applicable, or the situation requires two or more means of verification.

Seriously Deficient – The status of a sponsoring organization or a day care home that has been determined to be non-compliant in one or more aspects of its operation of the Program.

Snack – A meal supplement that meets the meal pattern requirements.

Sponsoring Organization (Sponsor) – a *public or nonprofit private organization* that is entirely responsible for the administration of the food program in:

- a) One or more day care homes;
- b) A child care center, emergency shelter, at-risk afterschool care center, outside-school-hours care center, or adult day care center, which is a legally distinct entity from the sponsoring organization;
- c) Two or more child care centers, emergency shelters, at-risk afterschool care centers, outside-school-hours care centers, or adult day care centers; or
- d) Any combination of child care centers, emergency shelters, at-risk afterschool care centers, outside-school-hours care centers, adult day care centers, and day care homes.

The term “sponsoring organization” also includes an organization that is entirely responsible for administration of the Program in any combination of two or more child care centers, at-risk afterschool care centers, adult day care centers or outside-school-hours care centers, which meet the definition of *For-profit center* in this section and are part of the same legal entity as the sponsoring organization.

Start-up Payments – Financial assistance made available to a sponsoring organization for its administrative expenses associated with developing or expanding a food service program in day care homes and initiating successful Program operations. These start-up payments may include administrative expenses associated with outreach and recruitment of unlicensed family or group day care homes and the allowable licensing-related expenses of such homes.

State Agency – The Texas Department of Agriculture (TDA).

State Children's Health Insurance Program (SCHIP) – The State medical assistance program under title XXI of the Social Security Act.

Supplemental Nutrition Assistance Program (SNAP) Household – Any individual or group of individuals that is currently certified to receive assistance as a household under SNAP (Formerly Food Stamp Program).

TANF Recipient – An individual or household receiving assistance under a State-administered Temporary Assistance to Needy Families program.

Termination by Mutual Consent – The termination of a sponsoring organization's Program agreement by either the sponsoring organization or TDA due to considerations unrelated to either party's performance of Program responsibilities under the agreement. "Termination by Mutual Consent" also includes the termination of a provider's day care home Program agreement by either the provider or the sponsoring organization due to considerations unrelated to either party's performance of Program responsibilities under the agreement.

Termination for Cause – The termination of a sponsoring organization's Program agreement by TDA due to a determination of serious deficiency in the organization's operation of the Program. "Termination for Cause" also includes the termination of a provider's day care home Program agreement by the sponsoring organization due to a determination of serious deficiency in the provider's operation of the Program.

Tier I Day Care Home – Means:

- a) A day care home that is operated by a provider whose household meets the income standards for free or reduced-price meals, as determined by the Sponsoring Organization based on a completed free and reduced price application, and whose income is verified by the Sponsoring Organization of the home;
- b) A day care home that is located in an area served by a school enrolling elementary students in which at least 50 percent of the total number of children enrolled are certified eligible to receive free or reduced price meals; or

- c) A day care home that is located in a geographic area, as defined by FNS based on census data, in which at least 50 percent of the children residing in the area are members of households which meet the income standards for free or reduced price meals.

Tier II Day Care Home – A day care home that does not meet the criteria for a Tier I day care home.

- **Tier II High:** These are Tier II day care homes where **all** of the enrolled children have been determined to be eligible for Tier I meal reimbursement. If all of the enrolled children in a Tier II provider's home during the claim month were certified eligible for Tier I reimbursement during the claim month, the provider will be reported as a **Tier II High (Tier II H)** provider on the claim for reimbursement for that month. **Note:** Only those Tier II providers who have chosen to have income applications distributed and whose enrolled children are **all** certified for Tier I reimbursement will fall into this category.
- **Tier II Low:** These are Tier II day care homes where **all** of the enrolled children are eligible for Tier II meal reimbursement. If all of the enrolled children in a Tier II provider's home during the claim month were eligible for Tier II reimbursement during the claim month, the provider will be reported as a **Tier II Low (Tier II L)** provider on the claim for reimbursement for that month. **Note:** Only those Tier II providers who have chosen **not** to have income applications distributed, and Tier II providers who have chosen to have income applications distributed, but all children are certified for Tier II reimbursement, will fall into this category.
- **Tier II Mixed:** These are Tier II day care homes where at least one of the enrolled children has been determined to be eligible for Tier I meal reimbursement and at least one of the enrolled children is eligible for Tier II meal reimbursement. If the enrolled children in a Tier II provider's home during the claim month were a mixture of Tier I and Tier II eligible children, the provider will be reported as a **Tier II Mixed (Tier II M)** provider on the claim for reimbursement for that month. **Note:** Only those Tier II providers who have chosen to have income applications distributed and whose enrollment consists of children who are certified eligible for Tier I reimbursement **and** children who are certified eligible for Tier II reimbursement will fall into this category.

Unannounced Review – An on-site review for which no prior notification is given to the day care home or sponsoring organization.

Uniform Federal Assistance Regulations – USDA's regulations, 7 CFR Part 3016 and 3019, establishing policies and standards for administration of grants and cooperative agreements.

Unserved area – An area in which providers who want to participate in the CACFP are unable to do so because no sponsoring organization provides services in their area.

Unsubstantiated Block Claim – A block claim that does not have the documentation to verify that the block claim is valid.

USDA – The United States Department of Agriculture.

9200 Acronyms

ADA	Americans with Disabilities Act	ADP	Average Daily Participation
ALJ	Administrative Law Judge	CACFP	Child and Adult Care Food Program
CAP	Corrective Action Plan	CFR	US Code of Federal Regulations
CCFP	Child Care Food Program	CN	Child Nutrition
DCH	Day Care Homes	DFPS	Texas Department of Family and Protective Services
ESP	Even Start Program	F&N FOO	Food and Nutrition Field Operations Office
FCS	USDA Food and Consumer Services	FEIN	Federal Employer Identification Number
FND	TDA Food and Nutrition Division	FNS	USDA Food and Nutrition Service
FOM	Field Operations Manager	FSMC	Food Service Management Company
FY	Fiscal Year	GAAP	Generally Accepted Accounting Principals
HSP	Head Start Program	HUB	Historically Underutilized Business
ISD	Independent School District	IRS	United States Internal Revenue Service
NDL	National Disqualified List	NET	Nutrition, Education and Training
NGO	Non-Governmental Organization	OGC	TDA Office of General Counsel
PK	Pre-kindergarten	PNO	Private Nonprofit Organization
PY	Program Year	RDA	Recommended Dietary Allowance
SAE	State Administrative Expense	SO	TDA State Office
SNAP	Supplemental Nutrition Assistance Program	SNAPS	Special Nutrition Automated Payment System
TAC	Texas Administrative Code	TANF	Temporary Assistance for Needy Families
TDA	Texas Department of Agriculture	TEA	Texas Education Agency
TMP	Total Monthly Participation	TX-ID	Texas Identification Number
UCN	Unique Contractor Number	USDA	United States Department of Agriculture
USPS	United States Postal Service	WIC	Women, Infants, and Children