



State of New Jersey

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TO: Family Day Care Food Program Sponsoring Organizations

FROM: Tanya D.W. Johnson, Coordinator
Child and Adult Care Food Program

SUBJECT: **Record Maintenance Requirements for Family Daycare
Home Providers in Child and Adult Care Food Program
FDCFP Memo # 09-13**

The New Jersey Department of Agriculture (NJDA) Child and Adult Care Food Program (CACFP) received guidance regarding record keeping requirements for family day care home providers from the United States Department of Agriculture (USDA). Correct implementation of these provisions is intended to facilitate reviews, to enhance Program integrity, and to assure providers that they are being properly reimbursed by their sponsors. It is very important that these guidelines are implemented as soon as possible to avoid the requirement of corrective action(s).

Section 7 CFR 226.10(d) of the federal regulations requires that records at family day care homes (FDCH) be retained for three years after the date of submission of the final claim for the fiscal year to which they pertain, except that if audit findings have not been resolved, the records shall be retained beyond the end of the three year period as long as may be required for the resolution of the issues raised by the audit. Although sponsors must require providers to submit records of menus, meal counts and enrollment, it is important that copies of these records also be maintained at the provider's facility in accordance with 226.18(e), which states that each day care home must maintain on file documentation of each child's enrollment and must maintain daily records of the number of children in attendance and the number of meals, by type, served to enrolled children.

While sponsors may keep duplicate records, maintaining records on site at the FDCH ensures that records are available for review when a monitor or auditor arrives at the home. Records that are kept at the provider's home also afford the State Agency an audit trail and the ability to confirm the accuracy of the records at both locations. In addition, maintaining records at the FDCH instills an internal control whereby the provider is assured that reimbursements are accurate, and that no errors have occurred in the payment process.

Providers must maintain and make available for immediate review, all records that support their program activities for the current month, as well as the previous twelve months of operation. Records should include documentation of attendance, enrollment, meal counts and menus. Providers may store the remaining two years of records offsite; however, they must still be in the control of the provider and accessible within a reasonable amount of time. If no offsite storage is used, providers must retain three years of records, onsite, at the FDCH. Records can be kept in hard copy or electronic format, provided that they are readily available to reviewers. Sponsors and providers must be aware that failure to maintain such records shall be grounds for the denial of reimbursement.

Sponsors should immediately begin taking measures to ensure that this established program requirement is met in conformance with the original intent of the regulation. Correct implementation of this existing requirement should be completed, not later than October 1, 2010.

Although sponsors may establish earlier implementation dates, steps should be taken to minimize any unnecessary burden to providers. Providers should be given the opportunity to correctly implement this requirement without any fiscal or serious deficiency penalties against providers for non-compliance, unless it is in violation of a previously established State or sponsor requirement or a provider's agreement with the sponsor. However, corrective action is appropriate for violations that occur after the final October 1, 2010, implementation date.

Questions concerning this requirement may be addressed to Ms. Carrie I. Freeman-Wright at at (609) 984-1250.