

ACTION BY: Regional Directors
Special Nutrition Programs

SOURCE CITATION: Sections 226.2, 226.10(c), and 226.15(b)(1)

Eligibility of Proprietary Title XX Centers

This instruction is intended to clarify our policy concerning the participation of proprietary Title XX centers as stipulated in the Child Care Food Program (CCFP) regulations.

Public Laws 96-499 and 97-53 (the Omnibus Budget Reconciliation Acts of 1980 and 1981, respectively) expanded the definition of "institution" to include any private, for-profit organization "providing non-residential day care services for which it receives compensation from amounts granted to States under Title XX of the Social Security Act." Moreover, Public Law 97-35 established a legislative standard for participation of proprietary Title XX centers by limiting participation to organizations which receive compensation under Title XX for at least 25 percent of the children enrolled. In addition, CCFP regulations allow proprietary Institutions to claim reimbursement for only those months in which at least 25 percent of enrolled children were Title XX beneficiaries.

We interpret the law and regulations in this regard to mean that to claim reimbursement for any given month, a proprietary institution must have among its enrolled children a number which represent at least 25 percent of the total enrollment and because of whose enrollment, Title XX funds are received by the center.



SAMUEL P. BAUER
Director
Child Nutrition Division

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