

Food and Nutrition Service
 3101 Park Center Drive
 Alexandria, VA 22302

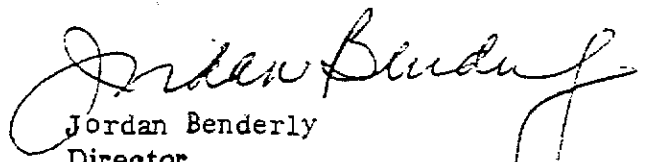
ACTION BY: Regional Director
 Special Nutrition Programs

SOURCE CITATION: §226.16(g)

Disbursement of Advances to Day Care Homes

Child Care Food Program regulations (§226.16(g)) require that sponsoring organizations which receive advance payments for their day care homes disburse advances to providers not later than the fifth working day following receipt of their homes' records for the month for which the advance is payable. However, because advances or reimbursement will be based on the amount validly claimed by the institution, it is very important that sponsoring organizations of homes be in possession of the necessary food service records before submitting their claims by the tenth day of the month following the month covered by the claim, as required in §226.10(c). Sponsoring organizations may find it impossible to submit complete and accurate claims for reimbursement within the time frame given in §226.10(c) whenever providers are more than a couple of days tardy in sending in their records. Tardy submission of records by providers and the consequent late claims submission by the institution may actually cause the sponsoring organization's advance payment to be reduced or forfeited since the State agency's deadline for generating the next advance may have passed. This could eventually lead to a delay in the reimbursement earned by providers who have submitted their records on time.

For this reason, State agencies or sponsoring organizations of homes may choose to establish reasonable deadlines for the submission of food service records by providers. An example of a reasonable deadline would be the seventh day of the month following the month for which the advance is payable to the provider. All homes which meet the deadlines would be entitled to have their advance payments disbursed within five working days of receipt of their records by the sponsoring organization. Providers which fail to submit their records before the deadline passes would forfeit their right to receive that month's advance within five working days of submission of their records. In such cases, the sponsoring organization shall disburse the advance payment to the home no later than the time of its next disbursement, unless the provider has still failed to submit the records. Sponsoring organizations of day care homes which choose to establish such deadlines must get prior approval from the State agency. Sponsoring organizations should do this by including a description of their deadline and disbursement procedures as a part of their management plans (§226.6(e)(2)) submitted for State agency approval.


 Jordan Benderly
 Director
 Child Care and Summer Programs Division

DISTRIBUTION: 5,6,11,14	MANUAL MAINTENANCE INSTRUCTIONS: New Instruction. Insert in Manual. Destroy CCFP Policy Memorandum No. 14.	RESPONSIBLE FOR PREPARATION AND MAINTENANCE: CS-100	10-14-82
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