TO: Child and Adult Care Food Program Institutions  
FROM: Mary Ann Chartrand, Director  
Grants Coordination and School Support  
DATE: September 30, 2005  
SUBJECT: Documenting Reasons for Block Claims by Child Care Centers and Day Care Homes

Effective October 1, 2005, sponsoring organizations must comply with new regulatory requirements pertaining to conducting unannounced reviews of facilities as a result of a “block” claim. A block claim is a claim with no variation in meal counts, for any single meal type or combination of meal types, for any continuous 15 day period within the claim month. The purpose of this memorandum is to provide additional guidance regarding the conduct of the unannounced follow up reviews required within 60 days of the submission of a block claim.

Sponsors must conduct an unannounced follow up review each time a facility submits a block claim. However, if a sponsor is able to determine and document that there is a valid reason for the block claim, the sponsor is not required to conduct another “block claim related” unannounced follow up review of the facility for the remainder of that annual review cycle.

USDA has determined that the intent of this requirement can be met, under certain circumstances, by permitting sponsors to evaluate and document the reason for a block claim prior to its submission. This will enable sponsoring organizations to provide effective oversight of CACFP integrity, while also promoting efficient use of sponsor resources.

Therefore, beginning with reviews conducted on or after October 1, 2005:

• if a sponsor conducting an unannounced review of a facility observes a block claim in the facility’s meal/menu records;
• the sponsor determines and documents that a valid reason exists for the block claim; and
• the sponsor will be exempt from conducting the follow up review, normally required to be conducted within 60 days of detecting the block claim, for the remainder of the current review year.

This guidance applies only to situations where the sponsoring organization determines the cause of a block claim during an unannounced review conducted prior to the facility’s first submission of a block claim during the current review year. If a sponsor receives a meal count/claim from a facility that includes a block claim, the cause of which has not been determined prior to its submission, the sponsor must conduct an unannounced review of the facility within 60 days of receipt of its meal count/claim.

“Valid reasons” for the existence of a block claim that would exempt the sponsor from conducting additional unannounced follow up reviews for the 12-month period are limited to those reasons discussed in the preamble to the interim rule (69 FR 53501, September 1, 2004) and in the questions and answers on that rule issued in FY 2005 CACFP Operational Memo #40.

As is the case when sponsor monitors document a legitimate reason for submission of a block claim identified by an edit check, the reasons for a block claim identified prior to the submission of a block claim must also be specific to the facility, and must be well-documented.

USDA intends this option to allow for the most efficient use of sponsor resources, consistent with the need to properly implement this important integrity requirement. Please contact our office at (517) 373-7391 if you have any questions.