

Application for Close-Out Payments for Sponsoring Organizations of Day Care Homes

CACFP Agreement # _____

Instructions: Refer to the attached instructions for description of Close-Out Payments before completing this application. Attach additional sheets when necessary.

Mail completed application to: CACFP, Homes Unit, 150 Broadway, Suite 600, Albany, NY 12204-2719.

1. Name of Sponsoring Organization

Mailing Address _____

City _____

State _____ Zip _____

Contact Person

Name _____

Title _____

Phone _____ Ext _____

Fax _____ Ext _____

Email _____

2. Indicate the number of day care home providers that are currently operating under your sponsorship.

_____ Total number of homes connected to Sponsor

_____ Number of homes claiming last month

_____ Number of homes inactive last month

_____ Number of homes to transfer

3. What is the effective date of the closure (e.g., last month to claim)?

4. Provide the time frame for the close-out activities. The time frame should be not more than 90 days past the end of the last claiming month.

_____ to _____

5. Enter the budget from the Sponsoring Organization's approved Child and Adult Care Food Program (CACFP) application for the current fiscal year. Provide the year-to-date expenditures for each budget category. In the Close-Out Payments column, enter the requested budget amounts. Attach a detailed justification for each budget category for which close-out funds are being requested.

NOTE: Payments for close-out activities will be issued after a review of the receipts and other documentation is completed by CACFP. **See the attached instructions.**

BUDGET CATEGORIES	CURRENT APPROVED BUDGET	EXPENDITURES (YEAR TO DATE)	ADDITIONAL CLOSE-OUT PAYMENTS
Personnel <i>(from Question 6)</i>			
Operating Costs			
Allocated Costs			
Travel			
Training			
Professional Service			
Capital Outlay			
Other			
Indirect			
Total			

This institution is an equal opportunity provider.

6. Please indicate personnel costs to be paid with close-out funds. Attach additional sheets if necessary. Please attach job descriptions.

EMPLOYEES				HOURS WORKED PER DAY		CURRENT SALARY		CLOSE-OUT SALARY	
1	2	3	4	5	6	7	8	9	10
EMPLOYEE NAME	TITLE OF POSITION	CURRENTLY FUNDED BY CACFP? (Y/N)	HOURLY WAGE	USUAL # HOURS WORKED FOR CACFP	HOURS TO BE WORKED FOR CLOSE-OUT GRANT	CURRENT ANNUAL CACFP SALARY	TOTAL CURRENT SALARY AND FRINGE BENEFITS	ADDITIONAL CLOSE-OUT SALARY AND FRINGE BENEFITS	TOTAL SALARY AND FRINGE BENEFITS
Grand Totals									

Please complete all information for employees who will be conducting CACFP close-out activities, whether paid with CACFP funds or not. Attach job descriptions for the close-out period, which include CACFP duties, for each employee or title. Round total figures to the nearest dollar.

Column:

1. **Employee name:** Enter employee's name who will conduct close-out activities for CACFP.
2. **Title of position:** Enter the position title of employee listed in column 1 (i.e., claims processor, monitor, director, accountant, bookkeeper, etc.).
3. **Indicate (Y/N) if the position is funded with CACFP funds.**
4. **Hourly wage:** Enter employee's hourly rate of pay.
5. **Usual # hours worked for CACFP:** Enter the number of hours employee usually works per day on regular CACFP activities.
6. **Hours to be worked for close-out grant:** Enter the number of hours the employee will work per day on close-out activities.
7. **Current annual CACFP salary:** Enter the employee's current annual salary (may be obtained from the approved CACFP budget).
8. **Total current salary and fringe benefits:** Enter the total current salary from all sources plus fringe benefits.
9. **Additional close-out salary:** Enter the employee's salary for the close-out activities.
10. **Total salary and fringe benefits:** Enter the total close-out salary from all sources plus fringe benefits, if applicable.

7. Print the name and title of the Sponsoring Organization's Board of Directors president, who will sign the Supplemental Agreement.

Name _____

Title _____

**SUPPLEMENTAL AGREEMENT
FOR
APPLICATION FOR CLOSE-OUT PAYMENTS
FOR SPONSORING ORGANIZATIONS OF DAY CARE HOMES**

Instructions: One copy of this Supplemental Agreement is required, with an original signature.

I CERTIFY that the information on this application is true to the best of my knowledge, that I will accept final administrative and financial responsibility for terminating participation in the Child and Adult Care Food Program (CACFP) under my administration and that Close-Out Payments will be used for administrative costs incurred in production of the last claim for reimbursement, payment of providers, reasonable personnel costs and other Accounts Payable related to close-out activities. I further understand that this information is being given in connection with the receipt of Federal Funds, and that deliberate misrepresentation may subject me to prosecution under applicable State and Federal criminal statutes.

DATE	NAME OF SPONSORING ORGANIZATION (PLEASE TYPE OR PRINT)	SIGNATURE OF SPONSORING ORGANIZATION'S BOARD PRESIDENT

Supplemental Agreement in Effect

From _____
DATE

To _____
DATE

CACFP STATE DIRECTOR

DATE

INSTRUCTIONS FOR COMPLETING DOH-5063

I. PURPOSE AND SCOPE

Sponsoring Organizations of day care homes are eligible to receive payment for the necessary and reasonable costs of ceasing CACFP participation. All participating organizations may be eligible for close-out costs whether they close for voluntarily (convenience) or involuntarily (terminated for cause) reasons. These instructions describe who is eligible for Close-Out Payments, how payment amounts are determined and other requirements. The attached application is used to apply for Close-Out Payments.

Sponsoring Organizations applying for Close-Out Payments will be notified of approval or disapproval by CACFP, in writing, within 30 calendar days of filing a complete and correct application. If a Sponsoring Organization submits an incomplete application, CACFP will notify the Sponsor. CACFP will provide the necessary technical assistance and direction to the applicant so that the application can be completed correctly.

II. INSTRUCTIONS

A. Basic Requirements

1. Must be an approved CACFP Sponsoring Organization of day care homes. Individual day care home close-out costs are not eligible for these payments.
2. The Sponsoring Organization is either closing voluntarily (convenience) or involuntarily (termination for cause).
3. Closing organizations must complete an application for Close-Out Payments. A Sponsoring Organization is eligible to receive Close-Out Payments only once. Only necessary and reasonable costs for close-out activities that cannot reasonably be avoided are allowable. All other costs incurred after termination are not allowable.
4. Termination does not affect the right of CACFP and United States Department of Agriculture (USDA) Food and Nutrition Services (FNS) to disallow costs and recover funds on the basis of a later audit or review.
5. Closure does not affect the Sponsor's obligation to return any funds due as a result of later refunds, corrections or other transactions.
6. All close-out costs require specific prior written approval through the submission of the close-out application, estimated budget and detailed budget justification.
7. Reimbursement of close-out costs will be made after receipt of documentation that the Sponsor has liquidated all CACFP obligations, including all close-out costs. Sponsors must liquidate all CACFP-related obligations within 90 calendar days after the final claim for reimbursement.
8. Close-Out Payments due will be offset by any outstanding over claims and unearned advance payments.
9. Advance payments for close-out costs are not permitted without specific prior written approval of USDA FNS.
10. Closing Sponsors must retain records related to CACFP operations for a minimum of three years past the end of a financial audit that includes the close-out period.

B. Payment Terms

1. The approved Close-Out Payment will be based on the Sponsor's estimates for allowable close-out costs, such as:
 - a. Costs of transferring equipment and supplies to CACFP or other Sponsor Organization, as determined by CACFP;
 - b. CACFP's share of termination fees for unexpired Program space and equipment leases;
 - c. Necessary and reasonable accounting, clerical and administrative salary and benefit costs resulting from completing CACFP close-out activities. Close-out activities may include preparing and processing final claim payments including issuance of final payments to sponsored day care homes.
 - d. Reasonable costs for storage, transportation and disposition of CACFP records.
2. Unallowable close-out costs include:
 - a. Non-CACFP related costs;
 - b. Costs for items usable in the Sponsor's other activities, such as office supplies;
 - c. Costs for the loss of corporate goodwill;
 - d. Costs for losses on the disposal of corporate assets;
 - e. Costs that have not been properly allocated and documented;
 - f. Estimated costs; and
 - g. All costs resulting from the negligent or willful failure of a Sponsor to discontinue incurring such costs.

C. Agreement

As part of this application, Sponsoring Organizations must enter into a supplemental agreement with the New York State Department of Health, Child and Adult Care Food Program. The supplemental agreement includes the time frame for completing the close-out efforts. If Sponsoring Organizations anticipate that close-out activities cannot be completed within the time frame originally outlined in the application, a request for an extension must be submitted to CACFP. Time periods exceeding 90 days past the end of the final claiming month require approval from USDA FNS.

D. Financial Record Review

Sponsors must submit a General Ledger, Chart of Accounts and payroll records for the fiscal year that includes the close-out activities. Expenses recorded and submitted must be in compliance with CACFP regulations (7 CFR 226), relevant FNS instructions, CACFP guidance materials, policy memoranda issued by the Department of Health, and all applicable State and local laws. Receipts, invoices and other documentation must also be submitted to support other than personnel expenses incurred. Verification of the documentation and expenses submitted to CACFP will be conducted. In general, expenses should only reflect the incremental expenditures necessary for the close-out period. Reimbursement will be made to the extent that allowable expenses are contained in the approved estimated close-out budget. However, no Sponsoring Organization may retain nor receive Close-Out Payments in excess of its actual costs for the expenditures specified in the agreement.

If applicant Sponsoring Organizations have questions about Close-Out Payments or need assistance in completing the application, please call 1-800-942-3858 and select option 3.