

# Frequently Asked Questions

## Sponsor Under a Sponsor

### TABLE OF CONTENTS

1. What does the term “Sponsor under a Sponsor” signify?
2. What is changing regarding CE/Sub-Sponsor agreements?
3. What is the new process to qualify as a sponsor of an unaffiliated site?
4. What are the timeframes for this process?
5. What happens to unaffiliated sites that are no longer allowable?
6. What if I close my site because it does not meet allowability requirements, but later I update site operations as described above so that it is now allowable?
7. Do I list the traditional unaffiliated At-Risk sites on the questionnaire that do not have a sub-sponsor operating the afterschool program?
8. What if I operate both affiliated and unaffiliated At-Risk sites?
9. What happens if I add a new site after I complete the questionnaire?
10. What happens if I do not fill out the questionnaire?
11. Will there be any communications or webinars or town meetings to discuss the process and impacts?



# Frequently Asked Questions

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### 1. What does the term “Sponsor under a Sponsor” signify?

A “Sponsor under a Sponsor” scenario occurs when a Contracting Entity (CE) signs a Permanent Agreement with an unaffiliated organization (sub-sponsor) to manage CACFP At-Risk operations at a location or site with which the sub-sponsor is also unaffiliated. Under a “Sponsor under a Sponsor” scenario, it is the sub-sponsor and not anyone affiliated with the site/location itself who signs the Permanent Agreement with the CE.

For example, if a sponsor signs the site agreement with an organization wishing to operate an At-Risk program at an apartment complex, and no one associated with the apartment complex has signed the permanent site agreement or is associated in any way with the meal service, this is a “Sponsor under a Sponsor” scenario.

While not all Sponsor-under-a-Sponsor arrangements are unallowable, TDA is identifying specific scenarios in which the sub-sponsor/CE agreement violates federal procurement regulations.

### 2. What is changing regarding CE/Sub-Sponsor agreements?

In recent reviews of sites, TDA has become aware of CEs signing permanent site agreements with sub-sponsors who are operating only the CACFP meal service at locations where an afterschool enrichment program is already being provided by a separate organization that has no affiliation with TDA, CACFP, or the sub-sponsor. In these cases, the sub-sponsor is acting solely as a provider of vended meals, or a Food Service Management Company (FSMC). Such vendors must be properly procured by a CE. Signing a Permanent Agreement with an FSMC or meal vendor and then paying that vendor via direct meal reimbursements rather than procuring the vendor via the bid process and signing a TDA-approved Contract for Purchased Meals is a circumvention of federal procurement regulations.

For example, a CE has a permanent agreement with a sub-sponsoring organization that wants to provide meals at a school site where the school is already providing an afterschool enrichment program. The school is not involved at all in the meal service other than providing space; is not legally affiliated with the vendor/sub-sponsor; and does not sign any agreement with the CE. Instead, the only agreement is a site agreement between the CE and the meal vendor. This is an unallowable “Sponsor under a Sponsor” arrangement. A CE may only sign an agreement with a sub-sponsor if the sub-sponsor is providing a comprehensive afterschool program.



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USDA has instructed TDA to ensure that beginning in Program Year 2025, all organizations operating unaffiliated At-Risk sites and signing permanent site agreements with a CE are either:

- Affiliated with the location where meals are being served (standard unaffiliated site at which staff at the location oversee both the meal service and enrichment/educational activities);
- or**
- If not affiliated with the location where meals are served (“Sponsor under a Sponsor” agreement), the sub-sponsor:
    - Is providing congregate enrichment or educational activities in addition to meal service; and
    - Has a signed Memorandum of Understanding with the location to operate a comprehensive afterschool program at that location.

**EXAMPLE:** An allowable “Sponsor under a Sponsor” scenario would be if the YMCA wanted to operate a remote afterschool program, including meal service and enrichment, at an apartment complex. The YMCA, acting as a sub-sponsor, would need to have a signed agreement with the apartment complex.

### 3. What is the new process to qualify as a sponsor of an unaffiliated site?

CEs of unaffiliated sites must fill out the [Valid Child and Adult Care Food Program \(CACFP\) At-Risk Unaffiliated Site Questionnaire/Attestation form](#) for all current and prospective unaffiliated sites to ensure that the sites meet the criteria described in Question #2 above and that the CE is providing complete administrative and financial oversight at those sites.

CEs will be able to submit the form once for a group of existing sites that meet the criteria but will have to resubmit the form for any new unaffiliated sites added after initial submission.

All sites with unallowable agreements must be closed prior to September 30, 2024 (see Question #4 below for more information).



# Frequently Asked Questions

## Sponsor Under a Sponsor

### 4. What are the timeframes for this process?

The questionnaire form will be posted on SquareMeals.org on February 16, 2024. CEs **must submit the questionnaire no later than June 30, 2024**, for any existing unaffiliated sites that meet the criteria to operate. TDA will begin closing any unaffiliated sites that do not have a corresponding questionnaire on July 1, 2024, with an effective closure date of September 30, 2024. To avoid closure of allowable unaffiliated sites, it is important that the questionnaire be submitted on time.

### 5. What happens to unaffiliated sites that are no longer allowable?

As noted above, all unallowable sites must be closed prior to September 30, 2024. CEs should close these sites as they submit their questionnaire with an effective date of no later than September 30, 2024. For any sites that are unallowable based on the criteria in the questionnaire, CEs are encouraged to immediately begin developing contingency plans for those sites. Options may include:

- Encourage staff affiliated with the site location to operate the unaffiliated site.
- If there is an organization providing an afterschool program at the site, encourage that organization to operate the food service as well as the enrichment.

Under both scenarios, the CE itself could properly procure an FSMC or meal vendor to operate the meal service at the site.

### 6. What if I close my site because it does not meet allowability requirements, but later I update site operations as described above so that it is now allowable?

A new site application must be submitted to TDA for review. Site applications either closed by the CE or on behalf of the CE by TDA under the auspices of the questionnaire responses must remain closed.



# Frequently Asked Questions

## Sponsor Under a Sponsor

### 7. Do I list the traditional unaffiliated At-Risk sites on the questionnaire that do not have a sub-sponsor operating the afterschool program?

Every unaffiliated At-Risk site under your sponsorship must meet the criteria within the questionnaire and is required to be listed within the form. Any unaffiliated At-Risk sites not listed in a submitted questionnaire, even those not operated by a sub-sponsor, will be closed by TDA upon the submittal of your Program Year 2025 renewal application.

### 8. What if I operate both affiliated and unaffiliated At-Risk sites?

Affiliated sites are sites legally affiliated with the CE and are not required to be listed on the questionnaire. Note that a site can be considered affiliated even if the location of service is not affiliated with the CE as long as the entirety of the Program is operated by staff employed by the CE.

For example, a CE may use an unaffiliated church location to operate an affiliated site as long as **all staff** operating the program is affiliated with the CE and all operational and administrative costs are the responsibility of the CE. If relying on staff at the church to operate the meal service, this would be an unaffiliated site, and a representative from the church would need to sign the site agreement.

### 9. What happens if I add a new site after I complete the questionnaire?

All sites require a corresponding questionnaire to verify allowability to operate the program. If the site application is submitted to TDA and there is not a corresponding questionnaire response, the site application will be returned as ineligible to participate.

### 10. What happens if I do not fill out the questionnaire?

If a questionnaire is not submitted for the site, TDA will be removing this site from the sponsor by September 30, 2024.



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## Sponsor Under a Sponsor

### 11. Will there be any communications or webinars or town meetings to discuss the process and impacts?

Yes. TDA will be hosting a webinar on February 21, 2024. ESCs will be trained on February 7 to provide more assistance. Other meetings and communications will be planned accordingly as requested.



Food and Nutrition Division



TEXAS DEPARTMENT OF AGRICULTURE  
COMMISSIONER SID MILLER

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[www.SquareMeals.org](http://www.SquareMeals.org)

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- (1) mail: U.S. Department of Agriculture  
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- (2) fax: (833) 256-1665 or (202) 690-7442; or
- (3) email: [program.intake@usda.gov](mailto:program.intake@usda.gov).

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