



**COVID-19 Emergency  
Operating Costs  
Reimbursement Program  
CACFP Operators  
February 4, 2021**



# Overview: COVID-19 Emergency Operating Costs

## Consolidated Appropriations Act, 2021 (Sec 722)

Purpose: To provide additional funding for Child Nutrition Program operators whose revenues decreased or were interrupted during the early days of the public health emergency.

- Relief is intended to address funding shortfalls.
- Relief **is not** intended to address increased costs due to COVID-19.
- The payment formula is tied to the past reimbursements as a result.



# Payment Formula Overview



- 55% of the difference between reimbursements from the months of **April, May, and June** 2020, and the same months in 2019, and
- For **March** 2020 calculations, the payment is half of 55% of the difference between March 2020 and March 2019
- **Calculations are made on per month basis.**

# Formula Overview

- CACFP emergency reimbursements are based on:
  - **CACFP meal reimbursements** (7 CFR 226.11, 226.12 and 226.13) if you are a:
    - Sponsoring organization of centers; independent child care centers, at-risk afterschool care centers, outside-school-hours care centers, emergency shelters, or adult day care centers; or day care homes
  - **CACFP Administrative funds** (7 CFR 226.12) if you are a:
    - Sponsoring organization of day care homes
- The value of cash in lieu for USDA Foods is not included in the payment calculation.
- Up to 1 percent of the reimbursement amount is made available to States to cover their administrative costs for operating the Emergency Costs Reimbursement Program.

# Formula Terms

**Reimbursement Period:** March, April, May and/or June 2020

**Reference Period:** March, April, May and/or June 2019

**Alternative Period:** January and February 2020

**“New” Program Operator:** a CE that was not yet operating during the reference period (March – June 2019) for any given month

**“All Other” Program Operators:** CEs operating at any time during the reference period

# What does this look like?

## All Other Program Operators Example

1. Calculate the differences between 2019 and 2020 reimbursements for the reimbursement month: March, April, May, and June.
2. If the difference between the 2019 and 2020 claim is greater than 0, multiply the difference by 0.55 (i.e., 55% of the difference). This is the payment from TDA for that reimbursement month.
3. For March, divide the difference by 2.

	2019 Reimbursement (\$)	2020 Reimbursement (\$)	Step 1 (2019 minus 2020)	Step 2 Multiply difference by .55	Step 3 (For March, divide by 2)
March	10000	7000	3000	1650	825
April	11000	0	11000	6050	
May	10000	1000	9000	4950	
June	9000	3000	6000	3300	

# New Program Operators Example

1. Calculate the average of January 2020 and February 2020 (Alternative Period) reimbursements.
2. Calculate the differences between the Alternative Period average and the reimbursement month: March, April, May, and/or June 2020.
3. If the difference between the Alternative Period and 2020 reimbursement month claim is greater than 0, multiply the difference by 0.55 (i.e., 55% of the difference). This is the payment from TDA for that reimbursement month.
4. For March, divide the difference by 2.

January 2020 (\$11,500) and February 2020 (\$9,500) for an AVERAGE of \$10,500

	January 2020/February 2020 Average (\$)	2020 Reimbursement (\$)	Step 1 (Alternative period minus 2020)	Step 2 Multiply difference by .55	Step 3 (For March, divide by 2)
March	10500	7000	3500	1750	962.50
April	10500	0	10500	5775	
May	10500	1000	9500	5225	
June	10500	3000	7500	4125	

## What else do I need to know about the calculations??

- If the calculation for a given month equals zero (or is negative), no payment is provided.
- Partially “new” operators - A CE that operated in May and June 2019 but not March and April 2019 will use the “new” formula for March and April reimbursements, and the formula for “all other” operators for May and June 2020.
- **Continued Participation is REQUIRED:**
  - Submittal of valid claims for ANY of the months of September 2020 through December 2020; **OR**
  - Assurances to TDA that they will file claim within the first full semester after the end of the COVID-19 pandemic



# What are the allowable uses of the emergency reimbursement funds?

- The funds may be used to reimburse any non-child nutrition funding source(s) used to supplement your Nonprofit Food Service account to offset the impact of COVID-19 operations on that account.
  - The program operator must maintain documentation supporting these reimbursements for future audit or oversight purposes.
- Any remaining funds must be deposited in the Nonprofit Food Service account and be used in accordance with normal program requirements (i.e., on allowable CNP costs).





## Payment Process

- State Agencies must submit an application and implementation plan to utilize these Emergency Funds.
- The implementation plan must include the total CE count to receive payment, estimated sum of payments, and process to disburse payments.
  - TDA has submitted the application.
  - TDA will submit the implementation plan.
  - TDA will update our CEs once this process is finalized, and the plan is approved by USDA.



# Payment Process

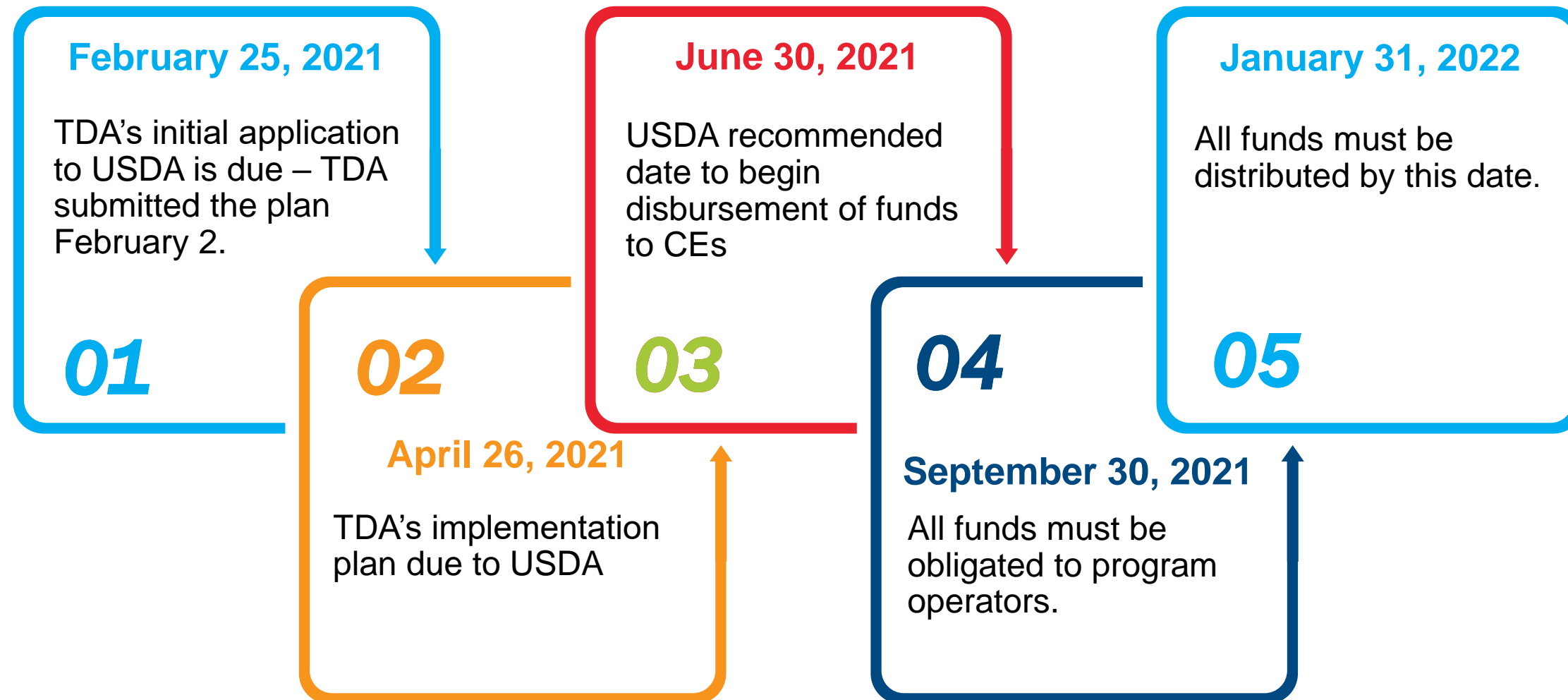
- TDA is responsible for payment calculations to entities with a permanent agreement in place with TDA.
  - Only reimbursements for CACFP will be included in the calculation.
- Payments must be offered to all eligible CEs.
- CEs do not have to request payment or opt in to receive payment.
- CEs with a valid contract but have not submitted a claim for any month between September – December 2020, will be contacted to obtain the required attestation.

# Payment Process

- All **sponsored facilities** eligible for emergency reimbursements will be paid through their sponsoring organization rather than TDA.
- Calculations and payments will depend on the type of facility:
  - **Affiliated centers:** payments made directly to sponsoring organization for distribution to their facilities
  - **Unaffiliated centers:** Sponsoring organizations must calculate and provide individual payments for their unaffiliated centers using the same formula just described.
    - NOTE: The sponsoring organization may retain up to **15 percent** of the payment to cover administrative expenses, subject to an agreement between the sponsoring organization and the unaffiliated center.
  - **Day care home:** Sponsoring organizations must calculate and provide individual payments for their day care homes based on the formula previously discussed



# Key Dates



# Stay tuned....

- USDA is developing FAQs and resources for states.
- Continue to check [SquareMeals.org](https://www.squaremeals.org) for CE resources, FAQs and future webinars.
- Reach out to your ESC for questions and assistance.

## Thank you!



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# Questions?