

To: Nutrition Program Sponsors and Potential New Sponsors

From: Brigette Hires, Director
Office of Nutrition

Date: December 8, 2022

Re: Financial Viability Policy

All potential new sponsors, including new owners purchasing an existing center, must provide documentation that they are financially viable to participate in the Child and Adult Care Food Program (CACFP). This policy memo provides guidance on general situations when a financial viability check will take place; however, all sponsors should contact their Education Program Specialist before making significant changes to their business and the CACFP.

- Single site sponsors buying a center, making them a multi-site sponsor, will have a 12-month financial viability conducted based upon the financial documents of the existing business. They must begin the process with the completion of the Potential New Sponsor Survey. They will not be able to claim reimbursement for the new site until the financial viability is completed. Once the site is approved, no new IRN is created, and the new center is assigned a site ID.
- Current sponsors who purchase a new center and intend for the new center to operate independently with its own IRN, must complete a 12-month financial viability review. The financial viability team will review documents from the newly purchased center when they can provide the appropriate documentation. In this case, a new IRN is created for the newly purchased center.
- Existing multi-site sponsor who purchases less than three centers (affiliated) will not complete financial viability. If the 3-year management evaluation results in fiscal concerns, the Financial Viability Team will assess the need for an additional financial viability review. Once the site is approved, no new IRN is created, and the new center is assigned a site ID.
- Multi-site sponsors with under 100 sites who wish to add three or more new sites in any 12-month period will complete a 12-month financial viability review. The Education Program Specialist will check the approved site list each time a new site is requested to verify the sponsor has not added three new sites within the 12-month period.
- Sponsors who have enrolled 100 or more sites will have a financial viability review when they are a new sponsor on the CACFP in Ohio. Additional financial viability reviews will only be conducted if the management evaluation, conducted every two years, results in fiscal concerns. The Education Program Specialist conducting the review will notify the CACFP Program Administrator of the fiscal concerns. The CACFP Program Administrator will notify the Financial Viability Team.

The State Agency reserves the right to conduct a financial viability review at any time without cause.