



**United States  
Department of  
Agriculture**

February 21, 2003

Food and  
Nutrition Service

**SUBJECT:** Child and Adult Care Food Program (CACFP): Update on For-Profit  
Center Eligibility

3101 Park  
Center Drive  
Alexandria, VA  
22302-1500

**TO:** Regional Directors  
Child Nutrition Programs  
All Regions

The FY 2003 USDA appropriations bill was signed Thursday, February 20, 2003. It authorizes a continuation of participation in the CACFP by for-profit centers under the free/reduced price provision. The legislation maintains the requirement that in order to be eligible, at least 25 percent of a center's enrollment or licensed capacity, whichever is less, must be eligible for free or reduced price meals.

The bill extends reimbursement through September 30, 2003. If a center has the appropriate records to document compliance with CACFP requirements, reimbursement can be paid retroactively to October 1, 2002.

This does not remove, or in any way affect, the eligibility status of for-profit organizations that participate in the CACFP under the title XX provision.

Please share this information with your States as soon as possible.

A handwritten signature in dark ink, appearing to read "Stanley C. Garnett". The signature is written in a cursive, flowing style.

STANLEY C. GARNETT  
Director  
Child Nutrition Division