

Payment Integrity Scorecard

Program or Activity

Food and Nutrition Service (FNS) Child and Adult Care Food Program

Reporting Period

Q3 2026

FY 2025 Overpayment Amount (\$M)*

\$312

*Estimate based a sampling time frame starting 12/2015 and ending 1/2018

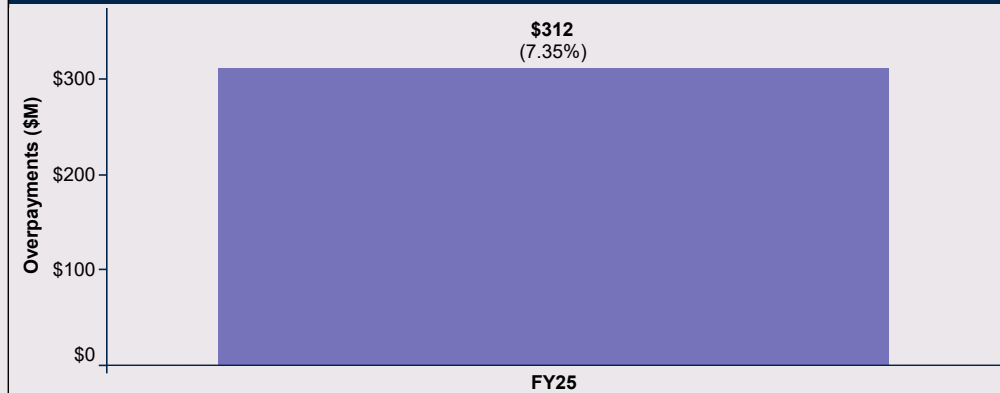


Food and Nutrition Service (FNS) Child and Adult Care Food Program

Brief Program Description & summary of overpayment causes and barriers to prevention:

USDA's Child and Adult Care Food Program (CACFP) provides federal reimbursement through the states to child care centers and family day care homes (FDCH). Sponsoring organizations are responsible for immediate oversight of providers. The states are responsible for overseeing CACFP sponsors. Centers certify children for program benefits through household applications. FDCHs primarily rely on community measures of poverty to identify eligibility at the facility level. Sponsor error in eligibility determination ("certification error") is a leading cause of IPs. A significant barrier is the decentralized nature of the program; USDA does not directly certify individual children or day care home facilities for eligibility.

Historical Payment Rate and Amount (\$M) (Overpayment as Percentage of Total Outlays)



Discussion of Actions Taken in the Preceding Quarter and Actions Planned in the Following Quarter to Prevent Overpayments

In the past quarter, FNA continued data collection and analysis for updating measurements of error in Area Eligibility and Tiering determinations. These measures are used to estimate certification error rates from incorrect tiering determinations for Family Day Care Homes and incorrect area eligibility determinations for At-Risk Afterschool Care centers, which factor into the overall improper payment rate estimate for CACFP. FNA also conducted a meals claims validation study, which included site visits and review of meal claims records. FNS visited sites in 10 states and reviewed records with disaggregated data to look for patterns in meal claims that point to possible error in program administration by site operators, and/or inadequate oversight by the sites' sponsoring organizations.

Accomplishments in Reducing Overpayment		Date
1	FNA announced the availability of \$8.7 million for CACFP Integrity Technology Innovation Grants, funding IT projects that improve automation, streamline reporting, improve monitoring, and enhance accountability to strengthen CACFP integrity.	Jun-26
2	FNA released a Food Industry Toolkit to provide a consolidated page of resources relating to labelling, product formulation statements, crediting, and more. This will reduce the time needed to access information to support program operations.	Jun-26
3	FNA is offering prospective statewide waivers for non-congregate meal service, allowing operators to quickly respond to closures by providing flexibilities for non-congregate service. This will streamline processes and reduce potential integrity risks.	Jun-26

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Goals towards Reducing Overpayments		Status	ECD	Recovery Method	Brief Description of Plans to Recover Overpayments	Brief Description of Actions Taken to Recover Overpayments
1	The agency is continuing work on ongoing and planned research studies aimed at better measuring and improving program integrity, like the update to Area Eligibility and Tiering Determinations Study. This updated research will give us better insight into root causes of error, which we can then use to inform improvements to our oversight and monitoring procedures.	On-Track	Sep-26	1	FNA has been granted a waiver for recovery of overpayments due to the nature of the program (i.e., State level administration, where States distribute reimbursements to program operators who submit claims and for monitoring and oversight of the claims submission process).	FNA has been granted a waiver for recovery of overpayments due to the nature of the program (i.e., State level administration, where States distribute reimbursements to program operators who submit claims and for monitoring and oversight of the claims submission process).

Amt(\$)	Root Cause of Overpayment	Root Cause Description	Mitigation Strategy	Brief Description of Mitigation Strategy and Anticipated Impact
\$312M	Overpayments that occurred because of a Failure to Access Data/Information Needed.	Certification relies on reporting by household applicants in centers and relies partially on local poverty data (Census and school data) in homes. Both processes are manual and depend on program operators. These data are locally maintained and are not shared with FNA.	Training – teaching a particular skill or type of behavior; refreshing on the proper processing methods.	States monitor operations of CACFP providers and sponsors in routine records-based and on-site reviews. States provide technical assistance on program operation including certification. USDA reviews state oversight of sponsors and their role in the certification process.