

Emergency Operational Cost Reimbursement Payment Calculations

The Consolidated Appropriations Act of 2021, passed in December 2020, authorized emergency operational cost reimbursement payments to help child nutrition program operators make up for lower reimbursements during March through June 2020 and assist in covering higher operational costs. This document reflects the authorizing legislation as well as the [memo](#) and [Q&A](#) released by the USDA on January 26, 2021.

State agencies must opt in to these emergency operational cost reimbursement programs and submit a plan for USDA approval. The initial state application is due **February 25, 2021**, and the full plan is due by **April 26, 2021**.

In general, most operators will not need to take any action in order to receive a payment. However, CACFP sponsors of unaffiliated centers and family day care homes may need to calculate payments owed to unaffiliated centers and family day care homes, especially if the state agency does not require site-level claim data.

For program operators, this resource is **not** intended to replace guidance from your state agency. Please contact your state agency for information on the process, calculations, and timing.

School food authorities (SFAs)

Programs included in payment calculations:

- National School Lunch Program (NSLP)
 - Including Seamless Summer Option (SSO)
 - Including NSLP Afterschool Snacks
 - Including additional lunch payments (i.e. 6 cents for meal pattern, additional reimbursement if >60% of meals served in the prior year were free or reduced-price)
 - **Not** including the value of USDA Foods (commodities)
- School Breakfast Program (SBP)
- Summer Food Service Program (SFSP)

The Child and Adult Care Food Program (CACFP) is **not** included in these calculations, but SFAs that operate any of the CACFP sub-component programs (like At-Risk Afterschool Meals) can also receive payments under the CACFP receive emergency operations reimbursement program.

These calculations and payment do **not** include any supplemental reimbursements or funding that may be provided by your state.

Eligibility:

To receive payments, SFAs must:

- Have an agreement with their state agency.
- Have filed a valid claim for any month January-June 2020.
- Have submitted valid claim for reimbursement for any month in September-December 2020 **or** assure the state agency that the SFA will file a claim within the first semester after the end of the public health emergency.

Payment formulas by circumstance and month:

In general, the formulas will provide SFAs with 55% of the difference between reimbursements received for the covered claim months in 2020 compared to 2019, except for March 2020, which will be half of that amount. Calculations are based on reimbursements for meals served during the covered claim month and corresponding reference month, not reimbursements received during those months.

Payments are calculated separately for each month. If any amount calculated is negative (e.g. more reimbursements received in 2020 compared to 2019), then the payment will be zero and not count against the other months' payments.

- Received reimbursements for the corresponding reference month in 2019:
March 2020 payment = $((\text{March 2019 reimbursements} - \text{March 2020 reimbursements}) \times 0.55) \div 2$
April 2020 payment = $(\text{April 2019 reimbursements} - \text{April 2020 reimbursements}) \times 0.55$
May 2020 payment = $(\text{May 2019 reimbursements} - \text{May 2020 reimbursements}) \times 0.55$
June 2020 payment = $(\text{June 2019 reimbursements} - \text{June 2020 reimbursements}) \times 0.55$
- Did **not** receive reimbursements for the corresponding reference month of 2019:
March 2020 payment = $((\text{January} + \text{February 2020 reimbursements}) \div 2) - \text{March 2020 reimbursements}) \times 0.55 \div 2$
April 2020 payment = $((\text{January} + \text{February 2020 reimbursements}) \div 2) - \text{April 2020 reimbursements}) \times 0.55$
May 2020 payment = $((\text{January} + \text{February 2020 reimbursements}) \div 2) - \text{May 2020 reimbursements}) \times 0.55$
June 2020 payment = $((\text{January} + \text{February 2020 reimbursements}) \div 2) - \text{June 2020 reimbursements}) \times 0.55$

Child and Adult Care Food Program (CACFP)

Programs and operators included in payment calculations:

- All sub-components of the Child and Adult Care Food Program (CACFP):
 - Child care, including outside-school-hours care
 - Family day care
 - Adult day care
 - Emergency shelters
 - At-Risk Afterschool programs
- All CACFP operator types:
 - Independent institutions or centers (e.g. a single child care center that works directly with the state agency)
 - Sponsoring organizations, including
 - Sponsors of affiliated centers or sites (e.g. an SFA that operates At-Risk Afterschool Meals at schools within the district)
 - Sponsors of unaffiliated centers or sites (e.g. a non-profit that sponsors child care centers that are not part of the same legal entity)
 - Sponsors of family day care homes
 - Unaffiliated centers or sites operating under a sponsoring organization
 - Family day care homes

Eligibility:

To receive payments, CACFP operators must:

- Have an agreement with their state agency **or** with a sponsoring organization.
- Have filed a valid claim for any month January-June 2020.
- Have submitted valid claim for reimbursement for any month in September-December 2020 **or** assure the state agency that they will file a claim within the first 90 days after the end of the public health emergency.

Payment formulas by circumstance and month:

In general, the formulas will provide CACFP operators with 55% of the difference between reimbursements received for the covered claim months in 2020 compared to 2019, except for March 2020, which will be half of that amount. Calculations are based on reimbursements for meals served during the covered claim month and corresponding reference month, not reimbursements received during those months. For sponsors of family day care homes, the payments are based on administrative reimbursements received for the covered claim month.

Payments are calculated separately for each month. If any amount calculated is negative (e.g. more reimbursements received in 2020 compared to 2019), then the payment will be zero and not count against the other months' payments.

Independent Institutions and Sponsors of Affiliated Centers or Sites:

- Received reimbursements for the corresponding reference month in 2019:
March 2020 payment = $((\text{March 2019 reimbursements} - \text{March 2020 reimbursements}) \times 0.55) \div 2$
April 2020 payment = $(\text{April 2019 reimbursements} - \text{April 2020 reimbursements}) \times 0.55$
May 2020 payment = $(\text{May 2019 reimbursements} - \text{May 2020 reimbursements}) \times 0.55$
June 2020 payment = $(\text{June 2019 reimbursements} - \text{June 2020 reimbursements}) \times 0.55$
- Did **not** receive reimbursements for the corresponding reference month of 2019:
March 2020 payment = $((\text{January} + \text{February 2020 reimbursements}) \div 2) - \text{March 2020 reimbursements}) \times 0.55) \div 2$
April 2020 payment = $((\text{January} + \text{February 2020 reimbursements}) \div 2) - \text{April 2020 reimbursements}) \times 0.55$
May 2020 payment = $((\text{January} + \text{February 2020 reimbursements}) \div 2) - \text{May 2020 reimbursements}) \times 0.55$
June 2020 payment = $((\text{January} + \text{February 2020 reimbursements}) \div 2) - \text{June 2020 reimbursements}) \times 0.55$

Sponsors of Unaffiliated Centers or Sites:

This calculation represents what the sponsor may retain for administrative costs. The rest must be disbursed to the unaffiliated sites.

- Unaffiliated site received reimbursements for the corresponding reference month in 2019:
March 2020 payment = $((\text{March 2019 reimbursements} - \text{March 2020 reimbursements}) \times 0.55) \div 2) \times 0.15^*$
April 2020 payment = $((\text{April 2019 reimbursements} - \text{April 2020 reimbursements}) \times 0.55) \times 0.15^*$
May 2020 payment = $((\text{May 2019 reimbursements} - \text{May 2020 reimbursements}) \times 0.55) \times 0.15^*$
June 2020 payment = $((\text{June 2019 reimbursements} - \text{June 2020 reimbursements}) \times 0.55) \times 0.15^*$
- Unaffiliated site did **not** receive reimbursements for the corresponding reference month of 2019:
March 2020 payment = $((\text{January} + \text{February 2020 reimbursements}) \div 2) - \text{March 2020 reimbursements}) \times 0.55) \div 2) \times 0.15^*$
April 2020 payment = $((\text{January} + \text{February 2020 reimbursements}) \div 2) - \text{April 2020 reimbursements}) \times 0.55) \times 0.15^*$
May 2020 payment = $((\text{January} + \text{February 2020 reimbursements}) \div 2) - \text{May 2020 reimbursements}) \times 0.55) \times 0.15^*$
June 2020 payment = $((\text{January} + \text{February 2020 reimbursements}) \div 2) - \text{June 2020 reimbursements}) \times 0.55) \times 0.15^*$

*15 percent is the maximum amount that a sponsor of unaffiliated sites may retain to cover administrative expenses. The exact percentage must be agreed upon by the sponsor and the unaffiliated site before funds are disbursed by the sponsor to the unaffiliated site.

Sponsors of Family Day Care Homes:

- Received reimbursements for the corresponding reference month in 2019:
March 2020 payment = $((\text{March 2019 administrative reimbursement} - \text{March 2020 administrative reimbursement}) \times 0.55) \div 2$
April 2020 payment = $(\text{April 2019 administrative reimbursement} - \text{April 2020 administrative reimbursement}) \times 0.55$
May 2020 payment = $(\text{May 2019 administrative reimbursement} - \text{May 2020 administrative reimbursement}) \times 0.55$
June 2020 payment = $(\text{June 2019 administrative reimbursement} - \text{June 2020 administrative reimbursement}) \times 0.55$
- Did **not** receive reimbursements for the corresponding reference month of 2019:
March 2020 payment = $((((\text{January} + \text{February 2020 administrative reimbursements}) \div 2) - \text{March 2020 administrative reimbursement}) \times 0.55) \div 2$
April 2020 payment = $((\text{January} + \text{February 2020 administrative reimbursements}) \div 2) - \text{April 2020 administrative reimbursement}) \times 0.55$
May 2020 payment = $((\text{January} + \text{February 2020 administrative reimbursements}) \div 2) - \text{May 2020 administrative reimbursement}) \times 0.55$
June 2020 payment = $((\text{January} + \text{February 2020 administrative reimbursements}) \div 2) - \text{June 2020 administrative reimbursement}) \times 0.55$

Unaffiliated Centers or Sites:

This calculation represents what the sponsor will disburse to the unaffiliated site, which will exclude the agreed-upon percentage for the sponsor's administrative costs.

- Unaffiliated site received reimbursements for the corresponding reference month in 2019:
March 2020 payment = $((\text{March 2019 reimbursements} - \text{March 2020 reimbursements}) \times 0.55) \div 2) \times 0.85^*$
April 2020 payment = $((\text{April 2019 reimbursements} - \text{April 2020 reimbursements}) \times 0.55) \times 0.85^*$
May 2020 payment = $((\text{May 2019 reimbursements} - \text{May 2020 reimbursements}) \times 0.55) \times 0.85^*$
June 2020 payment = $((\text{June 2019 reimbursements} - \text{June 2020 reimbursements}) \times 0.55) \times 0.85^*$
- Unaffiliated site did **not** receive reimbursements for the corresponding reference month of 2019:
March 2020 payment = $((((\text{January} + \text{February 2020 reimbursements}) \div 2) - \text{March 2020 reimbursements}) \times 0.55) \div 2) \times 0.85^*$
April 2020 payment = $((\text{January} + \text{February 2020 reimbursements}) \div 2) - \text{April 2020 reimbursements}) \times 0.55) \times 0.85^*$
May 2020 payment = $((\text{January} + \text{February 2020 reimbursements}) \div 2) - \text{May 2020 reimbursements}) \times 0.55) \times 0.85^*$
June 2020 payment = $((\text{January} + \text{February 2020 reimbursements}) \div 2) - \text{June 2020 reimbursements}) \times 0.55) \times 0.85^*$

*15 percent is the maximum amount that a sponsor of unaffiliated sites may retain to cover administrative expenses, leaving at least 85 percent of the meal reimbursements for the unaffiliated sites. The exact percentage must be agreed upon by the sponsor and the unaffiliated site before funds are disbursed by the sponsor to the unaffiliated site.

Family Day Care Homes:

This calculation represents what the sponsor will disburse to each family day care home.

- Received reimbursements for the corresponding reference month in 2019:
March 2020 payment = $((\text{March 2019 reimbursements} - \text{March 2020 reimbursements}) \times 0.55) \div 2$
April 2020 payment = $(\text{April 2019 reimbursements} - \text{April 2020 reimbursements}) \times 0.55$
May 2020 payment = $(\text{May 2019 reimbursements} - \text{May 2020 reimbursements}) \times 0.55$
June 2020 payment = $(\text{June 2019 reimbursements} - \text{June 2020 reimbursements}) \times 0.55$
- Did **not** receive reimbursements for the corresponding reference month of 2019:
March 2020 payment = $((\text{January} + \text{February 2020 reimbursements}) \div 2) - \text{March 2020 reimbursements}) \times 0.55) \div 2$
April 2020 payment = $((\text{January} + \text{February 2020 reimbursements}) \div 2) - \text{April 2020 reimbursements}) \times 0.55$
May 2020 payment = $((\text{January} + \text{February 2020 reimbursements}) \div 2) - \text{May 2020 reimbursements}) \times 0.55$
June 2020 payment = $((\text{January} + \text{February 2020 reimbursements}) \div 2) - \text{June 2020 reimbursements}) \times 0.55$