

CACFP Emergency Operational Costs Reimbursement Program – Payment Calculation Examples¹

Section 1: Institutions

1. “New” Institutions

A “new” institution is one that was not yet operating during some or all of the reference period used for all other institutions (March – June 2019). Payments owed to eligible “new” institutions (institutions include: sponsoring organizations, independent child care centers, adult care centers, outside-school-hours care centers, at-risk afterschool centers, or emergency shelters) for operational emergency costs are calculated by determining the average total reimbursement amount received through the CACFP meal and/or supplement reimbursements during January and February 2020 (January 2020 reimbursement amount plus February reimbursement amount, divided by two) and subtracting from this figure the corresponding total reimbursement amount earned during each month of the reimbursement period (March, April, May, or June 2020). Multiplying the difference between those figures by a factor of .55 (fifty five percent) results in the total monthly payment amount owed to “new” institutions.

The sum of payments for all calculated months represents the total payment owed to the institution.

Example formula to calculate total monthly payment:

April 2020 payment = (Average of January and February 2020 reimbursement amount – April 2020 reimbursement amount) x .55

“New” Institutions Calculation Example:

- January 2020 reimbursement = \$10,000
- February 2020 reimbursement = \$12,000
 - Average of January + February reimbursement = \$11,000
- April 2020 reimbursement = \$6,000

$$\begin{aligned}\text{April 2020 payment} &= (\$11,000 - \$6,000) \times .55 \\ &= \$5,000 \times .55 \\ &= \mathbf{\$2,750}\end{aligned}$$

¹ These examples are provided for illustrative purposes only. All payment amounts have been simplified for reader convenience. None of these examples are based on actual claims data.

2. All Other Institutions

Payment owed to all other eligible institutions (institutions include: sponsoring organizations, independent child care centers, adult care centers, outside-school-hours care centers, at-risk afterschool centers, or emergency shelters) for operational emergency costs are calculated by subtracting the total reimbursement amount received through the CACFP meal and/or supplement reimbursements during each reimbursement month (March, April, May, or June 2020) from the corresponding total reimbursement amount earned during the reference month (March, April, May, or June 2019). Multiplying the difference between those figures by a factor of .55 (fifty five percent) results in the total payment amount for that month.

The sum of payments for all calculated months represents the total payment owed to the institution.

Example formula to calculate total monthly payment:

April 2020 payment = (April 2019 reimbursement amount – April 2020 reimbursement amount) x .55

All Other Institutions Calculation Example:

- April 2019 reimbursement = \$10,000
- April 2020 reimbursement = \$6,000

$$\begin{aligned}\text{April 2020 payment} &= (\$10,000 - \$6,000) \times .55 \\ &= \$4,000 \times .55 \\ &= \mathbf{\$2,200}\end{aligned}$$

3. “New” Institutions in March

When calculating the payment amount for a “new” institution (institutions include: sponsoring organizations, independent child care centers, adult care centers, outside-school-hours care centers, at-risk afterschool centers, or emergency shelters) in the month of March 2020 only, after following the applicable formulas described in #1 above, the resulting amount is then divided by two.

The sum of payments for all calculated months represents the total payment owed to the institution.

Example formula to calculate total monthly payment for March 2020:

March 2020 payment = ((Average of January and February 2020 reimbursement amount – March 2020 reimbursement amount) x .55)/2

“New” Institutions in March Calculation Example:

- January 2020 reimbursement = \$10,000
- February 2020 reimbursement = \$12,000
 - Average of January + February reimbursement = \$11,000
- March 2020 reimbursement = \$5,500

$$\begin{aligned}\text{March 2020 payment} &= ((\$11,000 - \$5,500) \times .55)/2 \\ &= (\$5,500 \times .55)/2 \\ &= \$3,025/2 \\ &= \mathbf{\$1,512.50}\end{aligned}$$

4. All Other Institutions in March

When calculating the payment amount for all other institutions (institutions include: sponsoring organizations, independent child care centers, adult care centers, outside-school-hours care centers, at-risk afterschool centers, or emergency shelters) for the month of March 2020 only, after following the applicable formulas described in #2 above, the resulting amount is then divided by two.

The sum of payments for all calculated months represents the total payment owed to the institution.

Example formula to calculate total monthly payment for March 2020:

March 2020 payment = ((March 2019 reimbursement amount – March 2020 reimbursement amount) x .55)/2

All Other Institutions in March Calculation Example:

- March 2019 reimbursement = \$10,000
- March 2020 reimbursement = \$5,500

$$\begin{aligned}\text{March 2020 payment} &= ((\$10,000 - \$5,500) \times .55)/2 \\ &= (\$4,500 \times .55)/2 \\ &= \$2,475/2 \\ &= \mathbf{\$1,237.50}\end{aligned}$$

5. Partially “New” Institution

All payments should be calculated on a per month basis. In some cases, an institution (institutions include: sponsoring organizations, independent child care centers, adult care centers, outside-school-hours care centers, at-risk afterschool centers, or emergency shelters) may have operated for some, but not all, of the months of March-June 2019. If so, a combination of both calculations is used. For example, if an institution was operating in the months of May and June 2019, but not March and April 2019, the “new” institution calculation must be applied for the months of March and April 2019, and the calculation for all other institutions would be applied for the months of May and June 2019.

Example formula to calculate total monthly payment:

- March 2019 (not operating)
 - “New” institutions in March formula
- April 2019 (not operating)
 - “New” institution formula
- May 2019 (operating)
 - All other institution formula
- June 2019 (operating)
 - All other institution formula

The sum of payments for all four months represents the total payment amount owed to the institution. [Example begins on next page.]

Partially “New” Institution Calculation Example:

- March 2019 (not operating; “new”)
 - January 2020 reimbursement = \$10,000
 - February 2020 reimbursement = \$12,000
 - Average of Jan. + Feb. reimbursement = \$11,000
 - March 2020 reimbursement = \$5,000
 - March 2020 payment = $((\$11,000 - \$5,000) \times .55)/2 = \$1,650$
- April 2019 (not operating; “new”)
 - January 2020 reimbursement = \$10,000
 - February 2020 reimbursement = \$12,000
 - Average of Jan. + Feb. reimbursement = \$11,000
 - April 2020 reimbursement = \$6,000
 - April 2020 payment = $(\$11,000 - \$6,000) \times .55 = \$2,750$
- May 2019 (operating; all other)
 - May 2019 reimbursement = \$11,200
 - May 2020 reimbursement = \$5,000
 - May 2020 payment = $(\$11,200 - \$5,000) \times .55 = \$3,410$
- June 2020 (operating; all other)
 - June 2019 reimbursement = \$10,500
 - June 2020 reimbursement = \$5,500
 - June 2020 payment = $(\$10,500 - \$5,500) \times .55 = \$2,750$
- Total payment = Mar. 2020 payment + Apr. 2020 payment + May 2020 payment + June 2020 payment
= \$1,650 + \$2,750 + \$3,410 + \$2,750
= **\$10,560**

6. Multi-Month Institution Payment Calculation Example

This example walks through a multi-month payment of an institution that was operating in all four reference months (March, April, May, and June 2019). To calculate the final payment for a State agency, all reimbursement months should be added together. State agencies should directly calculate payment amounts for institutions with which they hold an agreement.

March

March calculation:

March 2020 payment = ((March 2019 reimbursement amount – March 2020 reimbursement amount) x .55)/2

- March 2019 reimbursement = \$10,000
- March 2020 reimbursement = \$5,000
- **March 2020 payment** = $((\$10,000 - \$5,000) \times .55)/2$
= $(\$5,000 \times .55)/2$
= $\$2,750/2$
= **\$1,375**

April

April calculation:

April 2020 payment = (April 2019 reimbursement amount – April 2020 reimbursement amount) x .55

- April 2019 reimbursement = \$10,000
- April 2020 reimbursement = \$6,000
- **April 2020 payment** = $(\$10,000 - \$6,000) \times .55$
= $\$4,000 \times .55$
= **\$2,200**

May

May calculation:

May 2020 payment = (May 2019 reimbursement amount – May 2020 reimbursement amount) x .55

- May 2019 reimbursement = \$6,500
- May 2020 reimbursement = \$7,000
- **May 2020 payment** = $(\$6,500 - \$7,000) \times .55$
= $-\$500 \times .55$
= $-\$275$
= **\$0***

** As a reminder, when a month's calculation results in a negative number, the institution will receive \$0 for that month. Please refer to 'Section 4: Negative Number – All Program Operators' for more information.*

June

June calculation:

June 2020 payment = (June 2019 reimbursement amount – June 2020 reimbursement amount) x .55

- June 2019 reimbursement = \$9,000
- June 2020 reimbursement = \$8,000
- **June 2020 payment** = $(\$9,000 - \$8,000) \times .55$
= $\$1,000 \times .55$
= **\$550**

Total payment = March + April + May + June 2020 payments
= $\$1,375 + \$2,200 + \$0 + \550
= **\$4,125**

Section 2: Unaffiliated Centers

1. “New” Unaffiliated Centers

A “new” unaffiliated center is one that was not yet operating during some or all of the reference period (March – June 2019). Payments owed to eligible “new” unaffiliated centers are calculated by determining the average total reimbursement amount received for CACFP meals and supplements during January and February 2020 (January 2020 reimbursement amount plus February reimbursement amount, divided by two) and subtracting from this figure the corresponding total reimbursement amount earned during each month of the reimbursement period (March, April, May, or June 2020). Multiplying the difference between those figures by a factor of .55 (fifty five percent) results in the total monthly payment amount owed to “new operators”. Finally, multiplying that number by a factor representing the agreed-upon retention percentage (no less than .85, or 85 percent) results in the amount retained by the sponsoring organization at the maximum level. Please note that .85 is being used as an example only, and the percentage ultimately retained by the sponsoring organization may vary.

The sum of payments for all calculated months represents the total payment owed to the unaffiliated center.

Example formula to calculate total monthly payment:

April 2020 payment = ((Average of January and February 2020 reimbursement amount – April 2020 reimbursement amount) x .55) x .85)

April 2020 payment retained by sponsoring organization = ((Average of January and February 2020 reimbursement amount – April 2020 reimbursement amount) x .55) x .15

“New” Unaffiliated Centers Calculation Example:

- January 2020 reimbursement = \$11,000
- February 2020 reimbursement = \$12,000
 - Average of January and February 2020 reimbursement = \$11,500
- April 2020 reimbursement = \$5,500
- Percentage retained by sponsoring organization = 15%
- Percentage provided to unaffiliated center = 85%

$$\begin{aligned}\text{April 2020 payment to unaffiliated center} &= ((\$11,500 - \$5,500) \times .55) \times .85 \\ &= (\$6,000 \times .55) \times .85 \\ &= \$3,300 \times .85 \\ &= \mathbf{\$2,805}\end{aligned}$$

In this example, the 15 percent retained by the sponsoring organization is **\$495**.

2. All Other Unaffiliated Centers

Payment owed to other eligible unaffiliated centers are calculated by subtracting the total reimbursement amount received for CACFP meals and supplements during each reimbursement month (March, April, May, or June 2020) from the corresponding total reimbursement amount earned during the reference month (March, April, May, or June 2019). Multiplying the difference between those figures by a factor of .55 (fifty five percent) results in the total payment amount for that month. Finally, multiplying that number by a factor representing the agreed-upon retention percentage (no more than .85, or eighty-five percent) results in the amount provided to the unaffiliated center at the level. Please note that .85 (eighty-five percent) is being used as an example only, and the percentage agreed upon may be anything less than that, including no transfer at all.

The sum of payments for all calculated months represents the total payment owed to the unaffiliated center.

Example formula to calculate total monthly payment:

April 2020 payment to sponsoring organizations of unaffiliated centers = ((April 2019 reimbursement amount – April 2020 reimbursement amount) x .55) x .15)

April 2020 payment to unaffiliated centers = ((April 2019 reimbursement amount – April 2020 reimbursement amount) x .55) x .85)

All Other Unaffiliated Centers Calculation Example:

- April 2019 reimbursement = \$11,000
- April 2020 reimbursement = \$5,500
- Percentage retained by sponsoring organization = 15%
- Percentage provided to unaffiliated center = 85%

$$\begin{aligned}\text{April 2020 payment to unaffiliated center} &= ((\$11,000 - \$5,500) \times .55) \times .85 \\ &= (\$5,500 \times .55) \times .85 \\ &= \$3,025 \times .85 \\ &= \mathbf{\$2,571.25}\end{aligned}$$

In this example, the 15 percent retained by the sponsoring organization is $\mathbf{\$453.75}$.

3. “New” Unaffiliated Centers in March

When calculating the payment amount for a “new” unaffiliated center in the month of March 2020 only, after following the applicable formulas described in example #1 in this section, the resulting amount is then divided by two.

The sum of payments for all calculated months represents the total payment owed to the unaffiliated center.

Example formula to calculate total monthly payment:

March 2020 payment = (((Average of January and February 2020 reimbursement amount – March 2020 reimbursement amount) x .55)/2) x .15

“New” Unaffiliated Centers in March Calculation Example:

- January 2020 reimbursement = \$10,000
- February 2020 reimbursement = \$12,000
 - Average of January + February reimbursement = \$11,000
- March 2020 reimbursement = \$5,500
- Percentage retained by sponsoring organization = 15%
- Percentage provided to unaffiliated center = 85%

$$\begin{aligned}\text{March 2020 payment} &= (((\$11,000 - \$5,500) \times .55)/2) \times .85 \\ &= ((\$5,500 \times .55)/2) \times .85 \\ &= (\$3,025/2) \times .85 \\ &= \mathbf{\$1,285.63}\end{aligned}$$

In this example, the 15 percent retained by the sponsoring organization is $\mathbf{\$226.88}$.

4. All Other Unaffiliated Centers in March

When calculating the payment amount for all other unaffiliated centers for the month of March 2020 only, after following the applicable formulas described in example #2 in this section, the resulting amount is then divided by two.

The sum of payments for all calculated months represents the total payment owed to the unaffiliated center.

Example formula to calculate total monthly payment:

March 2020 payment = (((March 2019 reimbursement amount – March 2020 reimbursement amount) x .55)/2) x .85

All Other Unaffiliated Centers in March Calculation Example:

- March 2019 reimbursement = \$10,000
- March 2020 reimbursement = \$5,000
- Percentage retained by sponsoring organization = 15%
- Percentage provided to unaffiliated center = 85%

$$\begin{aligned}\text{March 2020 payment} &= ((\$10,000 - \$5,000) \times .55/2) \times .85 \\ &= ((\$5,000 \times .55)/2) \times .85 \\ &= (\$2,750/2) \times .85 \\ &= \$1,375 \times .85 \\ &= \mathbf{\$1,168.75}\end{aligned}$$

In this example, the amount retained by the sponsoring organization is **\$206.25**.

5. Partially “New” Unaffiliated Center

All payments should be calculated on a per month basis. In some cases, an unaffiliated center may have operated for some, but not all of the months March-June 2019. If so, a combination of both calculations is used. For example, if an unaffiliated center was operating in the months of May and June 2019, but not March and April 2019, the “new” unaffiliated center calculation must be applied for the months of March and April 2019, and the calculation for all other unaffiliated centers would be applied for the months of May and June 2019.

Example formula to calculate total monthly payment:

- March 2019 (not operating)
 - “New” unaffiliated center formula
- April 2019 (not operating)
 - “New” unaffiliated center formula
- May 2019 (operating)
 - All other unaffiliated center formula
- June 2019 (operating)
 - All other unaffiliated center formula

The sum of payments for all four months represents the total payment amount owed to the unaffiliated center. In the below example, the maximum percentage that may be retained by the sponsoring organization is 15 percent, and the remaining 85 percent will be provided to the unaffiliated center.

Partially “New” Unaffiliated Centers Calculation Example:

- March 2019 (not operating; “new”)
 - January 2020 reimbursement = \$10,000
 - February 2020 reimbursement = \$12,000
 - Average of Jan. + Feb. reimbursement = \$11,000
 - March 2020 reimbursement = \$5,000
 - March 2020 payment = $((\$11,000 - \$5,000) \times .55) / 2 \times .85 = \$1,402.50$
- April 2019 (not operating; “new”)
 - January 2020 reimbursement = \$10,000
 - February 2020 reimbursement = \$12,000
 - Average of Jan. + Feb. reimbursement = \$11,000
 - April 2020 reimbursement = \$6,000
 - April 2020 payment = $((\$11,000 - \$6,000) \times .55) \times .85 = \$2,337.50$
- May 2019 (operating; all other)
 - May 2019 reimbursement = \$11,200
 - May 2020 reimbursement = \$5,000
 - May 2020 payment = $((\$11,200 - \$5,000) \times .55) \times .85 = \$2,898.50$
- June 2019 (operating; all other)
 - June 2019 reimbursement = \$10,500
 - June 2020 reimbursement = \$5,500
 - June 2020 payment = $((\$10,500 - \$5,500) \times .55) \times .85 = \$2,337.50$
- **Total payment** = Mar. 2020 payment + Apr. 2020 payment + May 2020 payment + June 2020 payment
= \$1,402.50 + \$2,337.50 + \$2,898.50 + \$2,337.50
= **\$8,976**

In this example, replace .85 with .15 to calculate the amount of funding that may be retained by the sponsoring organization.

Section 3: Day Care Homes and Sponsoring Organizations of Day Care Homes

1. Sponsoring Organizations of Day Care Homes

All sponsoring organizations of day care homes are eligible to receive payments based on their administrative funds only. To calculate the amount which they are eligible to receive, the same calculations that apply to institutions should be run, but administrative funds are used in the calculation as opposed to reimbursements for CACFP meals and supplements. For more information, refer to #8 of this section, “Multi-Month Sponsoring Organizations of Family Day Care Homes Payment Calculation Example.”

2. “New” Day Care Homes

A “new” day care home is one that was not yet operating during some or all of the reference period (March – June 2019). Funds provided to day care homes are separate from the administrative funding payments to sponsoring organizations of day care homes, and no percentage is to be retained by the sponsoring organization. Payments owed to eligible “new” day care homes are calculated by determining the average total reimbursement amount received for CACFP meals and supplements during January and February 2020 (January 2020 reimbursement amount plus February reimbursement amount, divided by two) and subtracting from this figure the corresponding total reimbursement amount earned during each month of the reimbursement period (March, April, May, or June 2020). Multiplying the difference between those figures by a factor of .55 (fifty five percent) results in the total monthly payment amount owed to “new” day care homes.

The sum of payments for all calculated months represents the total payment owed to the day care home.

Example formula to calculate total monthly payment:

April 2020 payment = (Average of January and February 2020 reimbursement amount – April 2020 reimbursement amount) x .55

“New” Day Care Homes Calculation Example:

- January 2020 reimbursement = \$10,000
- February 2020 reimbursement = \$12,000
 - Average of January + February reimbursement = \$11,000
- April 2020 reimbursement = \$6,000

$$\begin{aligned}\text{April 2020 payment} &= (\$11,000 - \$6,000) \times .55 \\ &= \$5,000 \times .55 \\ &= \mathbf{\$2,750}\end{aligned}$$

3. All Other Day Care Homes

Payment owed to other eligible day care homes are calculated by subtracting the total reimbursement amount received for CACFP meals and supplements during each reimbursement month (March, April, May, or June 2020) from the corresponding total reimbursement amount earned during each reference month (March, April, May, or June 2019). Multiplying the difference between those figures by a factor of .55 (fifty five percent) results in the total payment amount for that month.

The sum of payments for all calculated months represents the total payment owed to the day care home.

Example formula to calculate total monthly payment:

April 2020 payment = (April 2019 reimbursement amount – April 2020 reimbursement amount) x .55

All Other Day Care Homes Calculation Example:

- April 2019 reimbursement = \$10,000
- April 2020 reimbursement = \$6,000

$$\begin{aligned}\text{April 2020 payment} &= (\$10,000 - \$6,000) \times .55 \\ &= (\$4,000) \times .55 \\ &= \mathbf{\$2,200}\end{aligned}$$

4. “New” Day Care Homes in March

When calculating the payment amount for a “new” day care home in the month of March 2020 only, after following the applicable formulas described in #2 of this section, the resulting amount is then divided by two.

The sum of payments for all calculated months represents the total payment owed to the day care home.

Example formula to calculate total monthly payment:

March 2020 payment = ((Average of January and February 2020 reimbursement amount – March 2020 reimbursement amount) x .55)/2

“New” Day Care Homes in March Calculation Example:

- January 2020 reimbursement = \$10,000
- February 2020 reimbursement = \$12,000
 - Average of January + February reimbursement = \$11,000
- March 2020 reimbursement = \$5,500

$$\begin{aligned}\text{March 2020 payment} &= ((\$11,000 - \$5,500) \times .55)/2 \\ &= (\$5,500 \times .55)/2 \\ &= \$3,025/2 \\ &= \mathbf{\$1,512.50}\end{aligned}$$

5. All Other Day Care Homes in March

When calculating the payment amount for all other day care homes for the month of March 2020 only, after following the applicable formulas described in #3 of this section, the resulting amount is then divided by two.

The sum of payments for all calculated months represents the total payment owed to the day care home.

Example formula to calculate total monthly payment:

$$\text{March 2020 payment} = ((\text{March 2019 reimbursement amount} - \text{March 2020 reimbursement amount}) \times .55)/2$$

All Other Day Care Homes in March Calculation Example:

- March 2019 reimbursement = \$10,000
- March 2020 reimbursement = \$5,500

$$\begin{aligned}\text{March 2020 payment} &= ((\$10,000 - \$5,500) \times .55)/2 \\ &= (\$4,500 \times .55)/2 \\ &= \$2,475/2 \\ &= \mathbf{\$1,237.50}\end{aligned}$$

6. Partially “New” Day Care Homes

All payments should be calculated on a per month basis. In some cases, a day care home may have operated for some, but not all of the months March-June 2019. If so, a combination of both calculations is used. For example, if a day care home was operating in the months of May and June 2019, but not March and April 2019, the “new” day care home calculation must be applied for the months of March and April 2019, and the calculation for all other day care homes would be applied for the months of May and June 2019.

Example formula to calculate total monthly payment:

- March 2019 (not operating)
 - “New” day care home formula
- April 2019 (not operating)
 - “New” day care home formula
- May 2019 (operating)
 - All other day care home formula
- June 2019 (operating)
 - All other day care home formula

The sum of payments for all four months represents the total payment amount owed to the day care home.

Partially “New” Day Care Homes Calculation Example:

- March 2019 (not operating; “new”)
 - January 2020 reimbursement = \$10,000
 - February 2020 reimbursement = \$12,000
 - Average of Jan. + Feb. reimbursement = \$11,000
 - March 2020 reimbursement = \$5,000
 - March 2020 payment = $((\$11,000 - \$5,000) \times .55)/2 = \$1,650$
- April 2019 (not operating; “new”)
 - January 2020 reimbursement = \$10,000
 - February 2020 reimbursement = \$12,000
 - Average of Jan. + Feb. reimbursement = \$11,000
 - April 2020 reimbursement = \$6,000
 - April 2020 payment = $(\$11,000 - \$6,000) \times .55 = \$2,750$
- May 2019 (operating; all other)
 - May 2019 reimbursement = \$11,200
 - May 2020 reimbursement = \$5,000
 - May 2020 payment = $(\$11,200 - \$5,000) \times .55 = \$3,410$
- June 2020 (operating; all other)
 - June 2019 reimbursement = \$10,500
 - June 2020 reimbursement = \$5,500
 - June 2020 payment = $(\$10,500 - \$5,500) \times .55 = \$2,750$
- Total payment = Mar. 2020 payment + Apr. 2020 payment + May 2020 payment + June 2020 payment
= \$1,650 + \$2,750 + \$3,410 + \$2,750
= **\$10,560**

7. Multi-Month Day Care Home Payment Calculation Example

This example walks through a, multi-month payment of a day care home that was operating in all four reference months (March, April, May, and June 2019). To complete the payment calculation, the day care home will calculate the payment amount individually for each month and add the sums of all reimbursement months to calculate their final payment.

March

March calculation:

March 2020 payment = ((March 2019 reimbursement amount – March 2020 reimbursement amount) x .55)/2

- March 2019 reimbursement = \$10,000
- March 2020 reimbursement = \$5,000
- **March 2020 payment** = $((\$10,000 - \$5,000) \times .55)/2$
= $(\$5,000 \times .55)/2$
= $\$2,750/2$
= **\$1,375**

April

April calculation:

April 2020 payment = (April 2019 reimbursement amount – April 2020 reimbursement amount) x .55

- April 2019 reimbursement = \$10,000
- April 2020 reimbursement = \$6,000
- **April 2020 payment** = $(\$10,000 - \$6,000) \times .55$
= $\$4,000 \times .55$
= **\$2,200**

May

May calculation:

May 2020 payment = (May 2019 reimbursement amount – May 2020 reimbursement amount) x .55

- May 2019 reimbursement = \$6,500
- May 2020 reimbursement = \$7,000
- **May 2020 payment** = $(\$6,500 - \$7,000) \times .55$
= $-\$500 \times .55$
= $-\$275$
= **\$0***

**As a reminder, when a month's calculation results in a negative number, the institution will receive \$0 for that month. Please refer to 'Section 4: Negative Number – All Program Operators' for more information.*

June

June calculation:

June 2020 payment = (June 2019 reimbursement amount – June 2020 reimbursement amount) x .55

- June 2019 reimbursement = \$9,000
- June 2020 reimbursement = \$8,000
- **June 2020 payment** = $(\$9,000 - \$8,000) \times .55$
= $\$1,000 \times .55$
= **\$550**

Total payment = March + April + May + June 2020 payments
= $\$1,375 + \$2,200 + \$0 + \550
= **\$4,125**

8. Multi-Month Sponsoring Organizations of Family Day Care Homes Payment Calculation Example

This example walks through a multi-month payment to a sponsor of a family day care home that was operating in all four reference months (March, April, May, and June 2019). To complete the payment calculation, the State agency will calculate the payment amount for each month and add the sums of all reimbursement months to calculate their final payment. As a reminder, a sponsor of family day care homes should run this calculation based on their administrative funds earned during the reference and reimbursement months. These are the only payments that sponsors of family day care homes may retain for their own use. While they may calculate and/or serve as a pass-through for payments to their sponsored day care homes (which are calculated based on claims for CACFP meals/supplements), none of those funds may be kept by the sponsor.

March

March calculation:

March 2020 administrative payment = $((\text{March 2019 administrative funds amount} - \text{March 2020 administrative funds amount}) \times .55) / 2$

- March 2019 administrative funds = \$5,000
- March 2020 administrative funds = \$4,000
- **March 2020 administrative payment** = $((\$5,000 - \$4,000) \times .55) / 2$

$$\begin{aligned}
&= (\$1,000 \times .55)/2 \\
&= \$550/2 \\
&= \mathbf{\$275}
\end{aligned}$$

April

April calculation:

April 2020 administrative payment = (April 2019 administrative reimbursement amount – April 2020 administrative reimbursement amount) x .55

- April 2019 administrative funds = \$5,500
- April 2020 administrative funds = \$5,000
- **April 2020 administrative payment** = $(\$5,500 - \$5,000) \times .55$
= $\$500 \times .55$
= $\mathbf{\$275}$

May

May calculation:

May 2020 administrative payment = (May 2019 administrative reimbursement amount – May 2020 administrative reimbursement amount) x .55

- May 2019 administrative funds = \$6,000
- May 2020 administrative funds = \$5,200
- **May 2020 administrative payment** = $(\$6,000 - \$5,200) \times .55$
= $\$800 \times .55$
= $\mathbf{\$440}$

June

June calculation:

June 2020 payment = (June 2019 administrative reimbursement amount – June 2020 administrative reimbursement amount) x .55

- June 2019 administrative funds = \$4,000
- June 2020 administrative funds = \$3,500
- **June 2020 administrative payment** = $(\$4,000 - \$3,500) \times .55$
= $\$500 \times .55$
= $\mathbf{\$275}$

Total payment = March + April + May + June 2020 payments
= $\$275 + \$275 + \$440 + \275
= $\mathbf{\$1,265}$

Section 4: Negative Number – All Program Operators

For an eligible program operator, if the payment calculation for any given month in the reimbursement period of March, April, May, and June 2020, or during the alternative period of January-February 2020 results in a negative number, no payment will be provided for that month.

Negative Number Calculation Example:

- April 2019 reimbursement = \$7,000
- April 2020 reimbursement = \$7,500

$$\begin{aligned}\text{April 2020 payment} &= (\$7,000 - \$7,500) \times .55 \\ &= -\$500 \times .55 \\ &= \text{\textbf{-\$275}}\end{aligned}$$

Total April payment = \$0