

Serious Deficiency, Termination, NDL Policy

To: Child and Adult Care Food Program (CACFP) Sponsors

From: Brigitte Hires, Administrator, Office of Nutrition

Date: March 27, 2019, Updated December 2, 2021, reissued December 2025

Re: Serious Deficiency, Termination, National Disqualification List (NDL) and Removal from the NDL

Purpose

To outline the policy and process of serious deficiency, termination, NDL, and removal from the NDL. The Child and Adult Care Food program (CACFP) serious deficiency process ensures compliance with U.S. Department of Agriculture (USDA) Food and Nutrition Services (FNS) regulations and guidance. It offers state agencies, sponsoring organizations, and FNS the right to terminate for cause centers or day care homes (DCH) that are not in compliance with federal regulations.

Regulatory Authority

Under 7 CFR 226.2, “seriously deficient” means the status of an institution or a day care home that has been determined to be non-compliant in one or more aspects of its operation of the Program.

CACFP sponsors declared seriously deficient will receive a notice from the Ohio Department of Education and Workforce, Office of Nutrition (hereby known as the Department). The notice specifies the serious deficiencies and required documented corrective action to show the issues are fully and permanently corrected. Sponsors and responsible principals that fail to fully and permanently correct serious deficiencies are terminated from the CACFP and placed on the NDL.

Serious Deficiency and Corrective Actions

If sponsors meet the corrective action deadline and the Department approves the corrective actions, the serious deficiency will be temporarily deferred. A deferral is not a rescission and carries forward indefinitely.

If any subsequent review shows the serious deficiencies were not fully and permanently corrected, the Department must propose to terminate and disqualify the sponsor and responsible principals.

If the sponsor does not meet the corrective action deadline and/or the corrective actions do not demonstrate permanent correction of the issues, the Department will propose to

terminate and disqualify the sponsor and responsible principals.

Proposed Suspension and Disqualification

In accordance with regulatory requirements in 7 CFR 226.6(c)(5), the State agency may propose the suspension of an institution's participation in the program if it is determined that there are serious health or safety violations, or if the institution has knowingly submitted false or fraudulent claims.

If State or local health or licensing officials cite an institution for serious health or safety violations, the State agency must immediately suspend the institution's participation, initiate action to terminate the institution's agreement, and disqualify the institution and the responsible individuals. See Imminent Threat Policy linked below.

Similarly, if the State agency determines that an institution has submitted a false or fraudulent claim, it may propose to suspend the institution's participation and must initiate action to terminate the institution's agreement and disqualify the institution and the responsible individuals. The institution will be notified of the suspension, the serious deficiencies, and the proposed termination and disqualification, and will have the opportunity to request an administrative review of the suspension.

Proposed Termination and Disqualification

The Department issues the sponsor a notice identifying the sponsor and responsible principals that are proposed for termination and disqualification.

The sponsor may self-terminate. If the sponsor self-terminates following a notice of serious deficiency, the Department still must propose disqualification for the sponsor and responsible principals and place them on the NDL for a period of seven years or until the debt is repaid, whichever is longer.

The sponsor may appeal the proposed termination and disqualification. If the sponsor appeals, an independent hearing officer will, through an in-person or written process, review the sponsor's serious deficiency case documentation and decide if the Department's proposed termination and disqualification may proceed.

If the independent hearing officer decides the termination process is not justified, the termination process stops. The Department follows the independent hearing officer decision regarding sponsor program participation.

If the independent hearing officer decides the termination process is justified, the Department will terminate and disqualify the sponsor and responsible principals.

Termination and Placement on the NDL

The Department terminates the sponsor's participation in the CACFP and places the sponsor and responsible principals on the NDL. While on the NDL, the institution and identified responsible principals may not participate in the CACFP or other child nutrition programs.

Early Removal from the NDL

Sponsors and/or responsible principals submit a request to the Department for early removal from the NDL with documented corrective action applicable to the serious deficiency findings that supports permanent correction of the issues.

The request must include a list of the serious deficiencies that were not satisfactorily corrected and lead to the termination, a detailed description of the permanent documented corrective actions taken, and any corresponding documentation that confirms the corrective actions. The request also must identify the institution and/or person(s) requesting removal from the NDL.

The Department will verify that all program debt has been paid. Sponsors and/or responsible principals cannot be considered for early removal from the NDL if outstanding program debt is owed to the State.

The sponsor and/or responsible principals are responsible for documenting that the corrective action has been accomplished. The Department is not required to provide technical assistance related to a request for removal from the NDL. If the Department determines the corrective action to be sufficient and approves the removal, the information then must be submitted to the FNS Mid-West Regional Office (MWRO) for approval. If the FNS MWRO approves the Department recommendation, the request for removal is then sent to the FNS National Office for approval. If the Department, FNS MWRO and FNS National Office all agree to the recommendation for removal, the sponsor and/or responsible principal will be taken off the NDL.

Requests to be removed from the NDL must be sent by mail to the following address:

Ohio Department of Education and Workforce
Office of Nutrition 25 S. Front St., MS 303
Columbus, OH 43215

Related Policies and References

- [Serious Deficiency, Suspension & Appeals for State Agencies & Sponsoring Organizations handbook](#)
- USDA policy memo [CACFP 14-2012 Child and Adult Care Food Program Guidance on the Serious Deficiency Process and Acceptable Corrective Action Plans, National Disqualified List Procedures and Debt Collection.](#)

- [Imminent Threat Policy](#)