

Financial Aspects of the CACFP



Pages 54 -75

Nonprofit Food Service

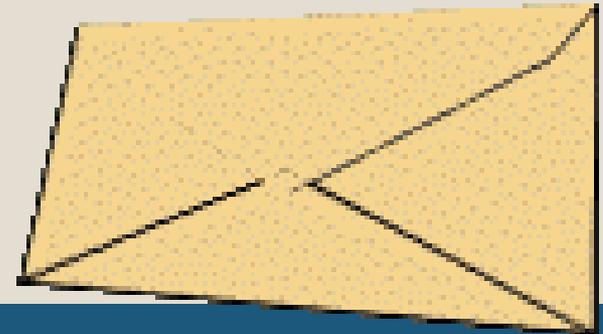


All CACFP reimbursement you receive **MUST** be used in the food service operation.

(Federal Regulations 7 CFR 226.2)

It doesn't mean you are exempt from paying any taxes.

A CACFP balance in excess of three months' operating expenses indicates that allowable expenses should be identified.



Non – Pricing Program



- No separate charges for meals served to children
- Meals are covered by tuition payments
- No money is exchanged at mealtimes
- If all children pay the same tuition, no portion is earmarked for food service
- If children pay different tuition rates, it is for a reason other than food service
- All children are served the same meal regardless of race, color, national origin, sex, age or disability

Requirements of a Separate Checking Account



- For-profit sponsors – **Highly recommended**
- Nonprofit sponsors who expend less than \$500,000 per year in Federal financial assistance and do not submit an A-133 audit – **Required**
- Nonprofit sponsors who expend more than \$500,000 per year in Federal financial assistance and submit an annual A-133 audit – **Not Required**



Claiming Percentage -Formula



Number eligible participants for free OR reduced OR paid meals

÷

Total number of participants (enrollment)

=

Claiming Percentage for that category

X

Total number of meals (breakfast, lunch, supper or snack) by type, served during the month

X

Free Or reduced-price Or paid Reimbursement rate

Claiming Percentage



Number eligible participants for free meals = **30**

÷

Total number of participants = **50**

= **$30 \div 50$**

Claiming Percentage Free = **60% free**

X

Total number lunches served during the month = **1000**

X **60% x 1000 lunches**

Reimbursement rate for free lunches = **\$3.07**

p. 66 **$60\% \times 1000 \times \$3.07 = \$1842.00$**

Income aka Reimbursement



Breakfast	Free	\$1.66
	Reduced	\$1.36
	Paid	\$.29
Lunch/Supper	Free	\$3.07
	Reduced	\$2.67
	Paid	\$.29
Supplements	Free	\$.84
	Reduced	\$.42
	Paid	\$.08
Cash-in-Lieu of Commodities	This amount is added to every lunch and supper.	\$.2375

Cash –in-lieu



- Money paid in-lieu of commodities
- Rate set annually
- Paid for each lunch and supper you serve

1000 lunches x .2375 = \$237.50

Expense Categories



- **Operating Costs**
 - Food Costs
 - Food Service Labor Costs
 - Certain Nonfood Supply Costs
 - Costs of Allocated and Direct Purchased Services
 - Other Service Expenditures including large equipment purchases

- **Administrative Costs**
 - Administrative Labor
 - Other Administrative Costs

Allowable Food Costs



- Foods used in CACFP meals
 - Meals served to participants
 - The cost of food includes the purchase price and any associated cost
 - The cost of prepared meals – Contracted Meals
 - Meals served to staff necessary for preparation and service of the meal



Which is an Allowable Food Cost?



1. Milk **Yes**
2. Cigarettes **No**
3. Personal Groceries **No**
4. Spices **Yes**
5. Bread **Yes**
6. Crab Meat **must be served to children**
7. Soda Pop **No**
8. Rabbit Food **No**
9. Cooks Meals **Yes**

Examples of Unallowable Expenses



- Personal Groceries
 - Cigarettes
 - Soda Pop
 - Pet Food
- Food or Drink Consumed by Adults
 - Coffee and its “Fixings”
 - Tea
- General Day Care Supplies
- Laundry and Cleaning Supplies not used in the Food Service area

Food Service Labor



- All Wages, salaries, benefits and share of taxes paid
 - Menu Planning
 - Food Purchasing
 - Meal Preparation, Service and Clean-Up
 - Time spent completing CACFP records (attendance and production)
 - Supervision of Day-to-Day Food Service Operation
- Records to document
 - Payroll records
 - Time sheets

A Compensation Plan is Required!



Nonfood Supplies



- Nonfood supplies used in preparing a meal
 - Small Kitchen Equipment (cost less than \$1000)
 - Paper Goods (napkins, plates, plastic forks)
 - Cleaning Supplies for the Food Preparation and Service Areas

This



Not This



Which are CACFP Nonfood Supplies?



1. Dishes **Yes**
2. Milk **No – it is a Food Cost**
3. Stove costing \$1500 **No**
4. Cups **Yes**
5. Arts & Crafts Supplies **No**
6. Toilet Paper **No**
7. Cooking Utensils **Yes**
8. Dishwashing Detergent **Yes**
9. Dishwasher costing \$856 **Yes**

Purchased Services



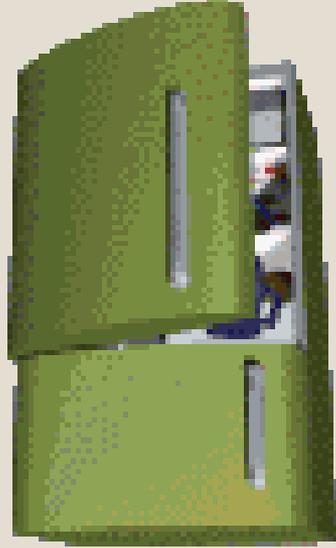
- **Direct – services directly attributed to the CACFP.**
 - Repair of the Stove
 - Kitchen Plumbing Repairs
 - Health Department Permits
 - Safe Serve Certification
- **Allocated – services that are shared by the CACFP and center. Must be pre-approved.**
 - Pest Control
 - Trash Pick-up
 - Rent or Mortgage
 - Utilities – Separate meter or utility company study

Other Service Expense

- Equipment purchase that cost \$1000 or more
- Steps in manual page 62



Not This



This

Administrative Costs



- Administrative Labor
- Other Administrative Costs, including
 - Audit Expenses
 - Checking Account Fees
 - Pre-approved Computer Purchase
 - Internet Fees
 - Cost of printing materials used in food service or providing nutrition education to food service staff

Pages 62-63



Administrative Labor



Cost include compensation for labor needed for :



- Planning, organizing, and managing the food service operation;
- Completing CACFP application materials;
- Compiling daily records to complete the monthly consolidated reimbursement claim;
- Training; and
- Preparing the monthly reimbursement claim.

Examples of Unallowable Expenses



- Salary of staff who *Do Not Perform* CACFP Duties
- Interest expenses
- Returned check fees
- Loans to your center or to an individual
- Unapproved items that require pre-approval
 - Computer
 - Equipment purchase over \$1000
 - Anything not covered in the Workbook – call first

CACFP Allowable Expenditures



Just because it is allowable, does not mean you will have reimbursement to pay for it!



Expense Documentation



- Documentation to record purchase
- Payment documentation
- Tracking or bookkeeping system

Save
your
receipts



Expense Documentation



- Itemized receipts
- Detailed invoices
- Time sheets and payroll records
- Canceled checks

What if they don't have receipts or they are not itemized?

As We Begin . . .

- Cash based accounting
- Establishing the separate checking account (best practice)
- Separate food and nonfood items at cash register
- Paying for labor



Cash Based Accounting



Document it when you spend it!

- Write a check/use a debit card – Record when transaction occurs.
- Pay with credit card – Record when pay off credit card expense
 - ✦ Interest or other credit card fees are **not** an allowable expense
 - ✦ Not recommended!
- Items billed at the end of the month – Record when paid

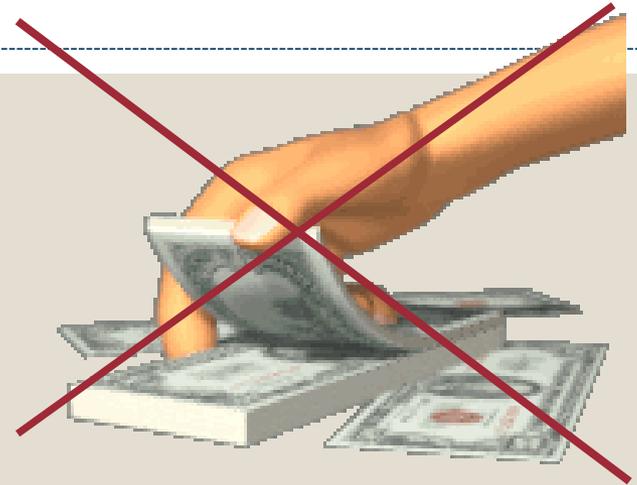
Establishing the Separate Checking Account



- Use daycare money or personal money as an internal transfer to set up a separate checking account.
or
- Wait until the first CACFP reimbursement.
- Pay CACFP bills with CACFP check from that point forward.
- As you accumulate money in the CACFP account, you may pay yourself back the original transfer amount.



Payment Documentation



Tracking or Bookkeeping System



Document Food and Nonfood Costs



Sales tax must follow the items purchased

- \$63.51 is total bill
- \$15.97 on food plus sales tax
- \$47.54 on nonfood plus sales tax



Three Ways to Document Categories:

- Write two different checks.
- Separate on the receipts at daycare.
- Separate at the cash register.

Monthly General Journal



MONTHLY GENERAL JOURNAL

Side 2

Month of _____, 20__

	Income Source, Description of Expense, To Whom Paid, etc.	Ck. No.	Bank Account		Income		Admin. Expenses		Food Service Operation Expense					
			(A) Deposits	(B) With- drawals	(C) CACFP	(D) Other	(E) Admin. Labor	(F) Other Admin.	(G) Food Purchases	(H) Food Labor	(I) Non-food Supplies	(J) Purchased Services	(K) Other	
1/5	CACFP Check													
1/5	Sam's	24												

- Enter Date
- Income Source or Description of Expense
- Check Number, if CACFP check

Bank Account – Deposits & Withdrawals



MONTHLY GENERAL JOURNAL

Side 2

Month of _____, 20__

	Income Source, Description of Expense, To Whom Paid, etc.	Ck. No.	Bank Account		Income		Admin. Expenses		Food Service Operation Expense					
			(A) Deposits	(B) With- drawals	(C) CACFP	(D) Other	(E) Admin. Labor	(F) Other Admin.	(G) Food Purchases	(H) Food Labor	(I) Non-food Supplies	(J) Purchased Services	(K) Other	
1/5	CACFP Check		1500											
1/5	Sam's	24		500										

- Deposits to the CACFP Account – column A
- Withdrawals from the CACFP Account – column B

Income – CACFP & Other



MONTHLY GENERAL JOURNAL

Side 2

Month of _____, 20__

	Income Source, Description of Expense, To Whom Paid, etc.	Ck. No.	Bank Account		Income		Admin. Expenses	Food Service Operation Expense						
			(A) Deposits	(B) With- drawals	(C) CACFP	(D) Other	(F)	(G) Food	(H) Food Labor	(I) Non-food Supplies	(J) Purchased Services	(K) Other		
1/5	CACFP Check		1500		1500									

Double Entry Bookkeeping

- CACFP – Column C
- Other – Column D
 - Deposits from daycare
 - Payment collected from a parent for a meal

Expenses - Administrative



MONTHLY GENERAL JOURNAL

Side 2

Month of _____, 20__

	Income Source, Description of Expense, To Whom Paid, etc.	Ck. No.	Bank Account		Income		Admin. Expenses		Food Service Operation Expense					
			(A) Deposits	(B) With- drawals	(C) CACFP	(D) Other	(E) Admin. Labor	(F) Other Admin.	(G) Food Purchases	(H) Food Labor	(I) Non-food Supplies	(J) Purchased Services	(K) Other	
1/5	Hokey's – Adm. Labor			146			146							
1/5	Checking Acct fees			10				10						

- Administrative Labor
- Other Administrative
 - Checking Account Fees and Checks
 - Internet, p.65
 - Computer Purchase, p. 65

Expenses – Operation Expense



MONTHLY GENERAL JOURNAL

Side 2

Month of _____, 20__

	Income Source, Description of Expense, To Whom Paid, etc.	Ck. No.	Bank Account		Income		Admin. Expenses		Food Service Operation Expense					
			(A) Deposits	(B) With- drawals	(C) CACFP	(D) Other	(E) Admin. Labor	(F) Other Admin.	(G) Food Purchases	(H) Food Labor	(I) Non-food Supplies	(J) Purchased Services	(K) Other	
1/5	ABC Grocery			500						500				
1/5	Hokey's-cook pay			200							200			

- Food Purchase
- Food Labor

Expenses – Operation Expense



MONTHLY GENERAL JOURNAL

Side 2

Month of _____, 20____

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			(A) Deposits	(B) With- drawals	(C) CACFP	(D) Other	(E) Admin. Labor	(F) Other Admin.	(G) Food Purchases	(H) Food Labor	(I) Non-food Supplies	(J) Purchased Services	(K) Other
1/5	Dollar Gen			50							50		
1/5	XYZ Plumbing			200								200-d	

- Non-food
- Purchased Services
- Other

Expenses – Operation Expense



MONTHLY GENERAL JOURNAL

Side 2

Month of _____, 20__

	Income Source, Description of Expense, To Whom Paid, etc.	Ck. No.	Bank Account		Income		Admin. Expenses		Food Service Operation Expense					
			(A) Deposits	(B) With- drawals	(C) CACFP	(D) Other	(E) Admin. Labor	(F) Other Admin.	(G) Food Purchases	(H) Food Labor	(I) Non-food Supplies	(J) Purchased Services	(K) Other	
1/5	Big Box Store			1500										1500

- Other
 - Pre-approved equipment purchases over \$1000

Total and Verify



MONTHLY GENERAL JOURNAL

Side 2

Month of _____, 20__

	Income Source, Description of Expense, To Whom Paid, etc.	Ck. No.	Bank Account		Income		Admin. Expenses		Food Service Operation Expense				
			(A) Deposits	(B) With- drawals	(C) CACFP	(D) Other	(E) Admin. Labor	(F) Other Admin.	(G) Food Purchases	(H) Food Labor	(I) Non-food Supplies	(J) Purchased Services	(K) Other
1/5	CACFP Check		1500		1500								
1/5	Big Box Store			1700							200		1500

- Column A = C + D
- Column B = E+F+G+H+I+J+K

Categorize These Expenses



- Approved portion of rent **Allocated Purchased Service**
- Paper plates **Nonfood supply**
- Salt **Food**
- Plumbing bill for bathroom repair **Not CACFP**
- Stove that costs \$1100 **Other**
- Stove that costs \$399 **Nonfood supply**
- Checking Account fees **Other Adm**
- Candy for Trick-or-Treating **Not CACFP**
- Food Permit **Direct Purchased Service**



CACFP Budget



- Is a planning “Tool” to determine how to spend the CACFP funds.
- Part of the On-line application process.
- Keep it simple.
- Most institutions receive only enough reimbursement to cover food and non-food supplies.

Budget



- Complete budget at “On Site Visit”
- “Spending Plan”
- Categories that require pre-approval
 - All Administrative Costs
 - All labor
 - ✦ Food Service
 - ✦ Administrative
 - Allocated purchased services
 - Other services (large equipment)

Paying For Labor



- Write the check to your cook from the Daycare Account as all other employees
- See page 68 in the CACFP manual to determine CACFP's portion of payroll allocation
- Write a check to the Daycare from the CACFP for that portion



Computer/Internet Purchase



- You must have available CACFP funds
- Only one computer, monitor and printer every five years
- Must be stored at a business address
- Submit “Request to Purchase Computer Equipment” with a written quote
- SDE will approve or deny
- No software may be purchased

Computer/Internet Purchase



- **Limits**
 - Computer and Monitor/Lap Top – Maximum of \$600
 - Printer – Maximum \$150
 - Internet Connection Fees - \$25/month



Monthly Claim For Reimbursement



Site
Data
Sheet

=/or

Claim

p. 74

Home | Help | FAQ | Logout Randolph County ARC dba Randolph County Learning Center CACFP

CACFP SITE DATA SHEET

Randolph County ARC dba Randolph County Learning Center [ABR-0000] Program Year: Oct 2008 - Sep 2009

Revision: 0 **Month: October 2008** **ABR-0000**

Revision	Status	Decision Date	Start Date	End Date	Submitted By	Signature Authority	Submission Date	View	Rev Comments	Submission Type
0	Unsubmitted		01/01/1900	01/01/1900				Select	Comments	Sponsor

[Print](#)

Period Covered by this Claim:

From	To
<input type="text"/>	<input type="text"/>
(mm/dd/yyyy)	(mm/dd/yyyy)

Expenditures:

Food Service Expenditure:	
Food Purchases:	(a) \$ <input style="width: 100px;" type="text" value="0.00"/>
Food Service Labor:	(b) \$ <input style="width: 100px;" type="text" value="0.00"/>
Non-Food Supplies:	(c) \$ <input style="width: 100px;" type="text" value="0.00"/>
Purchased Services:	(d) \$ <input style="width: 100px;" type="text" value="0.00"/>
	Direct: \$ <input style="width: 100px;" type="text" value="0.00"/>

Best viewed with 800 X 600 resolution and higher

Monthly Claim For Reimbursement



AKA Site Data Sheet

Deadlines

- Midnight, 20 days from the end of the month in which you are claiming.
 - Claiming June, when is it due in July? **July 20**
- Must be filed each month – even if not eligible.
- September early cut off for issuing checks.

Site data sheet errors



- Site data sheets with errors can be “invalidated” by State staff.
- Sponsor will be notified and must submit revise the site data sheet and resubmit it.
- Revision must be made within 5 days and no later than the original 20 day deadline.



p. 74-75 and Under
Training Workbook tab on
the CACFP website –
Online Database

Monthly Claim For Reimbursement Revisions



- Revisions to Site Data sheets:
 - needs to be submitted once error is discovered.
 - revisions that increase the reimbursement must be submitted within 50 days from end of the month for which you are claiming.
- Revisions to Site Data sheets:
 - does not affect reimbursement can be submitted at anytime discovered.

When Do You Get Paid?



- **Legal Time Frames**

- SDE must pay a complete and correct claim in 45 days
- If incomplete or incorrect, must notify you in 15 days; once correct we have an additional 45 days to pay.

- **Reality**

- No comments or other issues – mail check in 3 to 7 days.
- Comments or issues – ????

- **Concerned?**

- Wait 21 days from submission
- Call CNP Accounting at 334-242-9920

On-line Data Base



- Claim is filed online
 - Receive password and user name
 - Each institution has own application web site
- Will cover at On Site Visit
- Today - quick review of claim



CACFP SITE DATA SHEET

Randolph County ARC dba Randolph County Learning Center [ABR-0000]

Program Year: Oct 2008 - Sep 2009

Revision: 0

Month: October 2008

ABR-0000

Revision	Status	Decision Date	Start Date	End Date	Submitted By	Signature Authority	Submission Date	View	Rev Comments	Submission Type
0	Unsubmitted		01/01/1900	01/01/1900				Select	Comments	Sponsor

Print

Period Covered by this Claim:

From

10/1/2020

(mm/dd/yyyy)

To

10/30/2020

(mm/dd/yyyy)

Period Covered – First and last day serving meals

Expenditures:

Food Service Expenditure:

Food Purchases:	(a) \$	0.00
Food Service Labor:	(b) \$	0.00
Non-Food Supplies:	(c) \$	0.00
Purchased Services:	(d) \$	0.00
	Direct \$	0.00

Food Service Expenditure:

Food Purchases: (a) \$

Food Service Labor: (b) \$

Non-Food Supplies: (c) \$

Purchased Services: (d) \$

Direct: \$

Allocated: \$

Other Service Expense: (e) \$

Others: \$

Equip Purchase: \$

Equipment 1: \$

Equipment 2: \$

Administrative Expenditure:

Administrative Labor: (f) \$

Audit Expenditure: (g) \$

Other Administrative Expense: (h) \$

Checking Acct Fee: \$

Others: \$

Admin 1: \$

Admin 2: \$

Admin 3: \$

White – May enter
Gray – May not enter
Yellow – Summary;
May not enter

What form?

**Monthly
General
Journal**

Site Meals:

[AEQ-C001] A 'Dear Day Care						Day License: 93		Night License: 0	
Enrollment Info	No of Days [5/wk] [<=22]	T20 Enrollment	T19 Enrollment	FR Enrollment	Total Enrollment	Free Participants	Reduced Participants	Paid Participants	Total Participants
FRProvision - ChildCare	22	0	0	57	71	54	3	14	71

No. of Days

[5/wk] – max days per week

[<=22] – max days per month

Enrollment (Free & Reduced/Total)

Enrollment – participant for whom you cared during the month

Required Daily Record or Attendance Form

Participation

Participation – number of meals served per participant

Required Daily Record or Attendance Form

Meals Info	Breakfast	AM Snack	Lunch	PM Snack	Supper	Late Snack	At-Risk Snack	Total Meals
NonProfit - AdultDayCare	<input type="text" value="0"/>							

Comments:

↑

↓

Daily Meal Count Record or Attendance Form

Validate & Save [ABR-A001]

Certification:

Comments:

Please make sure that the data on this form is correct.

I certify that, to the best of my knowledge, this report and claim for reimbursement is true, correct, and executed according to the terms of agreement; that payment has not been received and that records are available to support the claim. I understand that this information is being given in connection with the receipt of Federal funds and that deliberate misrepresentation may subject me to prosecution under applicable State and Federal criminal statutes.

Approved and Submitted Electronically.

Authorized Signatory:

Robin Hall

Submission by:

JJARRETT

Submit

Remember!



- Due by midnight, 20 days from the end of the month for which you are claiming
- Sooner you file; sooner you will be paid
- Wait 21 days before calling
- Call SDE Accounting
 - 334-242-9920
 - Do not call Program Staff



Mini Review



1. It is OK to throw out all receipts and invoices. **False**
2. Receipts and invoices should be filed by the month. **True**
3. Time sheets must be completed if an employee is paid both with CACFP and center funds. **True**
4. It is a good idea to keep personal and center expenses separated from CACFP expenses. **True**
5. There must be a correlation between the foods shown on the itemized grocery receipts and what is served. **True**