

Budget Requirements in the Child and Adult Care Food Program (CACFP)



Budget Process and Requirements

- ✓ Maintain a non profit food service operation.
- ✓ Maintain records to support that all CACFP reimbursement is used solely for the operations or improvement of such food service.
- ✓ Submit a budget to the Idaho State Department of Education (SDE) annually.
- ✓ Adjust budget levels through budget amendments to reflect changes in CACFP activities if needed.

What is Included in the Budget?

7 CFR 226: All food service operations conducted by the institutions principally for the benefit of enrolled participants, from which all of the Program funds are used solely for the operations or improvement of such food service.

Operational Costs

Costs necessary to plan, prepare and serve meals and snacks in the Program.

Examples include:

- Food
- Labor and Benefits
- Non food supplies
- Equipment
- Completing menu records
- Purchasing food and supplies
- Time spent planning and creating menus

Administrative Costs

Costs necessary to plan, organize and manage the Program.

Examples include:

- Administration labor and benefits
- Completing application
- Recruiting and hiring
- Preparing and monitoring budget
- Monitoring facilities
- Providing training
- Claim consolidation and submission

Allowable vs. Unallowable Costs

Allowable-Costs that are "bona fide obligations of the institution incurred for the actual operation and administration of the Program."

- All allowable costs require either prior or specific prior written approval by the State agency.

Unallowable-Costs that are not necessary for the operation/administration of CACFP.

For example:

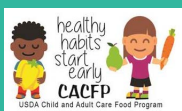
- Diapers
- Baby wipes
- Toothbrushes
- Paying bad debts
- Entertainment
- Costs not approved in the budget or a budget amendment

Financial
Management
for CACFP



FNS 796-2 Rev. 4

AN ALLOWABLE EXPENSE IS UNALLOWABLE IF THE EXPENSE IS NOT INCLUDED IN THE APPROVED BUDGET, PRIOR TO INCURRING THE EXPENSE.



This institution is an equal opportunity provider.

Submitting a Budget

- ✓ Sponsors must adhere to 7 CFR 226
- ✓ FNS 796-2 Revision 4 (Financial management in CACFP)
- ✓ 2 CFR part 200 subpart D


Complete and Submit Fiscal Year Budget Workbook

- ✓ Review budget workbook to ensure all projected costs are necessary, reasonable and allowable.
- ✓ Check that operational and administrative projected costs are categorized correctly.
- ✓ Include sources of non-CACFP funds to be used to pay over claims or other unallowable costs.
- ✓ Submit budget workbook to SDE for approval by due date.

Once Approved

- ✓ Enter approved budget summary in next fiscal year application packet under Sponsor Budget Detail.
- ✓ Attach approved budget workbook in Sponsor Budget Detail before submitting.

Submit Quarterly Reports

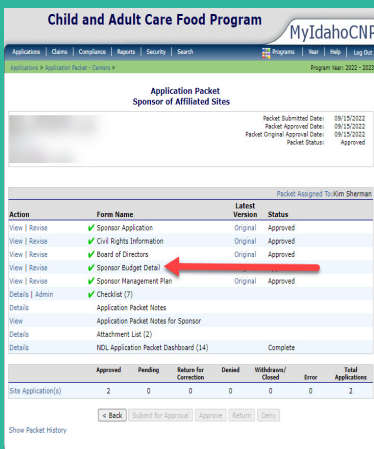
- ✓ Enter actual expense and revenue data in each federal fiscal quarter.
 - ✓ If updating an existing report, notify the SDE for review and approval of the updated report.
-  Review the institution budget status each quarter to determine if a budget amendment is needed.

Submit Budget Amendment if Needed

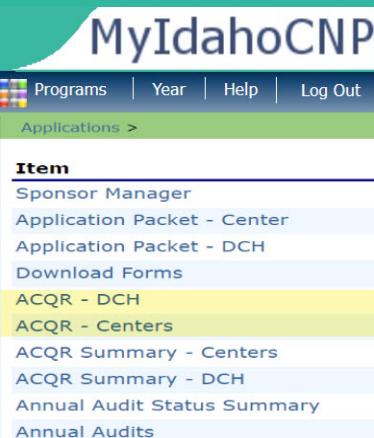
- ✓ Budget expenses and revenue are estimates.
- ✓ Amendments may be submitted to the SDE as needed.
- ✓ Submit final amendments by September 1 for the SDE to review and approve revisions prior to the institution incurring expense or revenue.
- ✓ May not go over 10% per any line item expense. Anything over 10% will be unallowable and must be paid with other program funds.

Record Keeping Requirements

- ✓ Maintain all records to support budget expenses and revenues for 3 years plus the current Program year.



Action	Form Name	Latest Version	Status
View Revise	✓ Sponsor Application	Original	Approved
View Revise	✓ Civil Rights Information	Original	Approved
View Revise	✓ Board of Directors	Original	Approved
View Revise	✓ Sponsor Budget Detail	Original	Approved
View Revise	✓ Sponsor Management Plan	Original	Approved
Details Admin	✓ Checklist (7)		
Details	Application Packet Notes		
View	Application Packet Notes for Sponsor		
Details	Attachment List (2)		
Details	MC Application Packet Dashboard (14)	Complete	



- Programs
- Year
- Help
- Log Out

Applications >

Item

- Sponsor Manager
- Application Packet - Center
- Application Packet - DCH
- Download Forms
- ACQR - DCH
- ACQR - Centers
- ACQR Summary - Centers
- ACQR Summary - DCH
- Annual Audit Status Summary
- Annual Audits

