



Child and Adult Care Food Program (CACFP) Fiscal Management Training



Delaware
Department of Education



Topics discussed

- Overview
- VCA
- Financial recordkeeping
- Example budget
- Required documentation
- Claim documentation

Sponsor Responsibilities

- All institutions must demonstrate they meet the three specific performance standards required by CACFP regulations.
 - Financial Viability and Management
 - Administrative Capability
 - Program Accountability
- These standards must be maintained throughout participation in the Program
- Submit information to document Viability, Capability and Accountability (VCA)



Sponsor Responsibilities

Financial Viability and Management

An institution must demonstrate:

- Adequate financial resources to operate the CACFP on a daily basis-What are the institution's income and expenses?
- Adequate sources of funds to withstand temporary interruptions in CACFP payments and/or fiscal claims against the institution
- Institutions can document financial viability by maintaining receipts of allowable costs, general ledger or similar documentation with a chart of accounts, audits and financial statements



Can you answer these questions regarding VCA about your Institution?

All institutions should be able to answer these questions:

- What type of financial system do you use? Manual or computer programs?
- How do you ensure the Generally Accepted Accounting Principles (GAAP) are followed?
- Do you hire a Certified Public Account (CPA) to assist with year-end financial preparation and tax reporting?
- Are your procedures and internal controls documented in a procedures manual?



VCA Questions continued

- Does your procedures manual include fiscal integrity and accountability for all CACFP receipts, disbursements, expenses and assets?
- Do you have safeguards and controls to prevent and detect improper financial activities of employees?



Financial Recordkeeping



Recordkeeping Requirements:

- Accurate records provide you with the required documentation to support the CACFP claim for which you are reimbursed on a monthly basis.
- Poor recordkeeping can result in disallowable portions of your claim and you may owe money back to the State.
- Inadequate recordkeeping may result in your disqualification from participating in the program (Serious Deficiency).



Fiscal Management

Each institution is required to maintain records related to all program purchases and approved costs

- Ensure each item purchased is allowable
- Ensure receipts for each purchase are saved and documented
- If necessary, ensure supporting documentation such as, time and attendance or mileage logs are maintained
- Maintain the worksheet for reporting documented monthly CACFP costs, or a general ledger with chart of accounts, Quickbooks or other financial accounting software



Required Records

- Possible approved expenses may include:
 - Food
 - Vended meal service
 - Non food
 - Mileage
 - Food service labor
 - Contracted services
 - Indirect cost (with prior approval)
 - Administrative labor
 - Audit fees
 - And other approved costs, with prior approval

Example of Approved Costs

	Sponsor Complete This Column CACFP Funded	Sponsor Complete This Column Non-CACFP Funds	FOR STATE USE ONLY Approved
A. PREVIOUS YEAR'S REIMBURSEMENT			
1. Previous year's reimbursement	\$ 110,624.86	\$ 0.00	
B. OPERATING EXPENSES			
1. Food (costs for meals/snacks that are self prepared or vended)	\$ 55,600.00	\$ 0.00	\$ 55,600.00
2. Food delivery or transportation of foods (shopping)	\$ 10,200.00	\$ 0.00	\$ 10,200.00
3. Non Food (disposable plates, cups, cleaning supplies, etc)	\$ 2,700.00	\$ 0.00	\$ 2,700.00
4. Food preparation/Labor	\$ 20,940.62	\$ 0.00	\$ 20,940.62
5. Purchase Services (trash removal, etc)	\$ 576.00	\$ 0.00	\$ 576.00
6. Equipment (rental, lease, purchase, etc)	\$ 1,000.00	\$ 112,593.24	\$ 1,000.00
7. Other (please specify) janitorial	\$ 5,000.00	\$ 6,119.62	\$ 5,000.00
8. Other (please specify) gas and electric	\$ 0.00	\$ 16,044.00	\$ 0.00
9. Other (please specify)	\$ 0.00	\$ 0.00	\$ 0.00
10. Do you claim costs that require approval of allocation formula or indirect cost rate?			<input type="radio"/> Yes <input checked="" type="radio"/> No

If Yes, provide justification:

Food

- Maintain all receipts from food purchased at all potential stores.
- Ensure the receipt list all the required pieces of information.
 - Name of food item
 - Prices and total cost
 - Date
 - Purchase method
- Allowable food items only.
- Best practice to purchase allowable items only. Otherwise further documentation will need to be maintained.

Mileage

- Maintain odometer reading from start location to end location.
- Federal mileage reimbursement rate is \$0.53.

EMPLOYEE NAME: _____		EMPLOYEE NUMBER: _____			
DEPARTMENT NAME: _____		DATE (MONTH/YEAR): _____			
DATE	PURPOSE OF TRIP/DESTINATION	ODOMETER READING		MILEAGE AT \$ _____ RATE	PARKING /TOLLS
		BEGIN	END		

Non-Food

- Maintain all receipts from non-food purchased at all potential stores.
- Ensure the receipt list all the required pieces of information.
 - Name of item
 - Prices and total cost
 - Date
 - Purchase method
- Allowable items only.
- Best practice to purchase allowable items only. Otherwise further documentation will need to be maintained.

Labor

- Documentation is the same for both admin or foodservice labor
- Include rate of pay to calculate total CACFP salary.

Employee Name (please print legibly) _____ Month/Year: _____

(A) Day of Month	(B) Total Day Care Hours Worked*	(C) Non- CACFP Hours	(D) CACFP Hours		(A) Day of Month	(B) Total Day Care Hours Worked*	(C) Non- CACFP Hours	(D) CACFP Hours	
			(D1) Food Service Labor	(D2) Admin. Labor				(D1) Food Service Labor	(D2) Admin. Labor
1					17				
2					18				
3					19				
4					20				

Indirect costs

- Indirect cost include:
 - Rent
 - Electric
 - Water
 - Pest management services
- Prior approval is required via an allocation formula.
 - Formula compares the square footage of kitchen, food storage, and eating areas with the total square footage of the center.

Indirect costs cont.

- Maintain documentation of indirect costs.
- Ensure only the applicable CACFP percentage is applied to the expense.
- If using a separate CACFP account, pay the bill in full from your operating account, and then transfer the applicable percent of the expense from the CACFP account.

Claims for Reimbursement



Maintain Accurate Records

- Records must be kept for **three years on-site** after the end of the fiscal year to which they pertain (**exception** - Permanent Records).
 - The **Federal fiscal year** is from **October 1 to September 30**.

Note: Record Retention

For example, your sponsorship of the Program ended in September 2017. **ALL** records from 2014 would be discarded in 2018,
Records from 2015 discarded in 2019,
Records from 2016 discarded in 2020, a
Records from 2017 discarded in 2021.



Submit Claim for Reimbursement

1. Maintain point of service meal counts and daily attendance for each classroom.
2. Count the total number of meals served to participants for the whole month, keep the count for each meal or snack broken down by free, reduced, and paid.
3. Verify the children who participated in meal service for the month and ensure they have a valid IEF on file, and are listed on the DE-NARS roster.
4. Review and certify the roster in DE-NARS.
5. Enter the number of serving days, the total attendance, and the number of meals/snacks served by free, reduced, and paid.

Adhere to Claim Deadlines

- Claims are due by the 10th of each month (CACFP 2017 Op Memo #19)
- Federal regulations and state rules impose a claim submission deadline of **60 calendar days after the end of the month for which the claim applies.**

<u>Month of Claim</u>	<u>Last Date for Original & Revised Claims to be Submitted in DENARS</u>
October	December 30
November	January 29
December	March 1**
January	April 1*
February	April 29
March	May 30
April	June 29
May	July 30
June	August 29
July	September 29
August	October 30
September	November 29

*In a leap year this date will be March 31.

**In a leap year this date will be February 29.

Federal Regulation [CFR §226.10(e)]

Example:

An October claim is expected to be submitted by November 10th and cannot be paid if it arrives after December 30.

Don't Miss the
DEADLINE!

Missed Claim Deadline?

One-Time Exception Policy

- Program regulations contained in 7 CFR parts 210, 225, and 226 require sponsors to submit all claims for reimbursement within 60 days of the last day of the claim month.
- The USDA allows states, at their discretion, to approve a one-time exception for a late claim.
- Sponsors may submit requests for one-time exceptions for claims outside the 60-day submission window to Aimee Beam in writing/email.
- The request must include information that adequately explains why the claim was late, and what steps will be taken, and by whom, to prevent the cause of the late claim from reoccurring.
- Sponsors can receive an exception **once every 3 years.**

Consequences of Non-Compliance

- Recordkeeping is vital to the success of your CACFP Program!
- Fiscal Action – deductions from future claims for reimbursement.
- Serious Deficiency (SD)
 - CACFP regulations define serious deficiency as the status of an institution or a day care home that has been determined to be non-compliant in **one** or **more** aspects in its operation of the Program [7 CFR 226.2]
 - This includes submitting false claims for reimbursement (USDA CACFP Serious Deficiency, Suspension, & Appeals for State Agencies & Sponsoring Organizations handbook, p. 47)

Thank You!



Thank you for your participation and interest in the Child and Adult Care Food Program.

We look forward to working with you.



Let's Make CACFP Even Better

