



Budgets & Financial Management

Financial Management

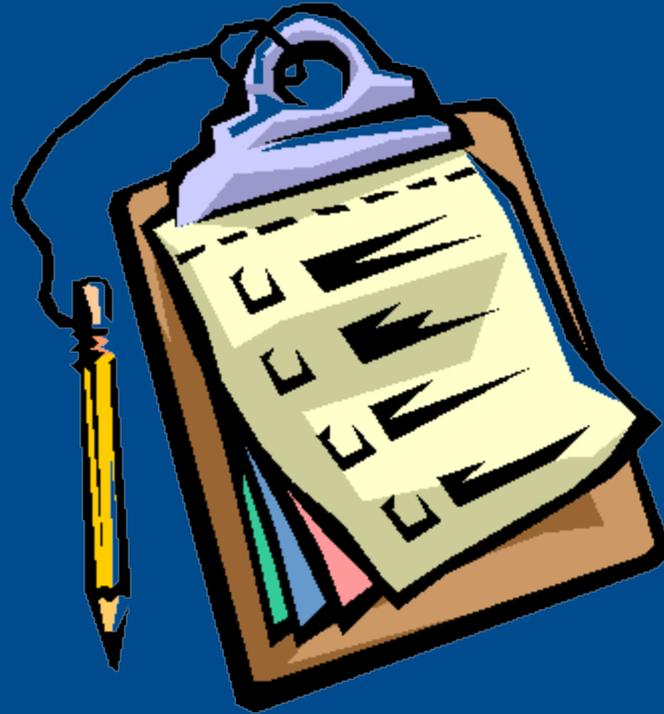
- Two components:
 - Demonstrating overall **Viability, Capability, and Accountability (VCA)**
 - Showing how you spend CACFP reimbursements

Annual Budget Process

- Estimate reimbursements
- Estimate labor costs
- Estimate general administrative costs
- Identify how CACFP reimbursements will be used
 - Costs not included in budget are not allowable

Annual Budget Process

- Estimate homes
 - Realistic administrative reimbursement projection
- Start with last year's budget
 - Review actual costs
- Make realistic cost projections
- Determine
 - How CACFP funds will be spent
 - Funding sources to cover remaining costs



Administrative Labor

Administrative Costs: A closer look

- Administrative labor
 - Time spent on paperwork, training, monitoring, etc.



The Costs of Running the Business

Administrative Costs: A closer look

- Administrative supplies & activities
 - Services
 - Rental and Lease Costs
 - Depreciation/Use Allowance
 - Equipment Costs
 - Travel Costs
 - Communications Costs
 - Materials and Supplies
 - Publication, Printing and Reproduction Costs
 - Advertising and Public Relations Costs
 - Provider training and support costs
 - Meetings and Conferences
 - Memberships, Subscriptions and Professional Org. Activities
 - Insurance
 - Purchased Services
 - Facility Space and Costs
 - Miscellaneous Costs

Annual Budget Process

- Guiding principles:
 - Is the item or service **necessary**?
 - Benefits eligible CACFP participants?
 - Supports food service operations?
 - Required for CACFP compliance?
 - Is the amount **reasonable**?
 - Is it an **allowable** expense?
 - See “Financial Management: Child and Adult Care Food Program” (FNS 796-2 rev. 4)

Allocations

- Allocations are needed if the cost:
 - Benefits allowable and unallowable activities
 - Benefits both CACFP and other program areas
 - Benefits CACFP operations in multiple states
- Must determine whether a cost is direct or indirect (overhead)

Allocations

- **Indirect cost:** Cost of items or services that have a common purpose to support overall operations and cannot be readily assigned to a specific program or funding source
- **Direct cost:** Cost of items or services that can be identified with a specific program or funding source

Allocations

- **Indirect cost:** allocation or rate must be
 - Based on plan pre-approved by the State Agency
 - Approved by USDA Food & Nutrition Service
- **Direct cost:** allocation must be
 - Based on use or benefit
 - Pre-approved by the State Agency

Labor Allocations

- Only the share of the wages and employer costs associated with CACFP-related labor may be paid with CACFP funds.
- Time distribution reports are required if
 - An allocation is required and
 - CACFP reimbursements will be used to pay for all or part of the employee's allowable wages or benefits.

Budget Pitfalls

- Estimates
 - Overly ambitious projections
 - Low projections
- Poor allocations
- Insufficient budget narratives
- Not remembering items that need prior approval

Financial Management Resources

osse.dc.gov/service/child-and-adult-care-food-program-cacfp-training-resources#Program-Management

Apps | Bookmarks | Login Intranet | Listen Live Classical ... | Google | Google Advanced I... | Imported From IE | The Child and Adult ...

- General Education Development Tests (GED)
- Education Licensure Commission (ELC)
- Elementary & Secondary Education
- Enrollment and Residency
- Grants Management
- LEA/School Needs Assessment: ESL/Bilingual Education Program
- Office of Dispute Resolution
- Post-Secondary Education
 - College Application Week
 - DC OneApp Service
 - DC Tuition Assistance Grant (DC TAG)
 - OSSE Scholars
 - United States Senate Youth Program (USSYP)
 - Contact
 - Post-Secondary Career & Education Conference
 - Adult College Completion Initiative (ACC)
 - Public Charter School Financing and Support
 - Race to the Top

By Topic

Program Management

- State Agency FY 2014 Memoranda
- CACFP Resources
- Providing Updates to the State Agency
- Record Keeping Requirements
- Permanent CACFP Records
- Income Eligibility Statement and Letter to Households
- Enrollment and Annual Duties
- Monthly, Daily, and As-Needed Duties
- Attendance and Meal Count Procedures
- Soy Milk Notification Form & Medical Substitution Form
- Production Records
- Claim Calculations and Recalculations
- Claims for Reimbursement
- Financial Management
- Financial Management, Procurement, & Budget Refresher for FY 2015
- Administrative Review Process
- Monitoring Requirements
- Serious Deficiency Process
- Serious Deficiency Process - Family Day Care Home
- Serious Deficiencies for Institutions
- Serious Deficiencies for Family Day Care Home Providers

osse.dc.gov/cacfp → “Training Resources” under Resources for Current CACFP Participants

Financial Management Resources

F ood & N utrition S ervice	FNS INSTRUCTION	NUMBER
	U.S. DEPARTMENT OF AGRICULTURE 3101 PARK CENTER DRIVE ALEXANDRIA, VA 22302-1500	796-2 Rev. 4

ACTION BY: Regional Directors
Special Nutrition Programs

INFORMATION FOR: Regional Offices
State Agencies

**FINANCIAL MANAGEMENT -
CHILD AND ADULT CARE FOOD PROGRAM**

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