

Fiscal Management and Nonprofit Documentation

Meal Reimbursement Information: The At-Risk Afterschool programs are reimbursed at the free meal rate. The reimbursement rates are effective from July 1st through June 30th. The reimbursement rate for the supper meal (or lunch, if approved to serve on weekends, holidays, and school breaks during the school year) includes the United States Department of Agriculture (USDA) established cash-in-lieu of commodity rate. The current meal reimbursement rates are located on the Child and Adult Care Food Program (CACFP) website under Rates located at: <http://health.mo.gov/cacfp>.

Fiscal Management: The purpose of the financial management review is to verify all financial information related to the nonprofit meal service. The purpose is to assure costs charged to the nonprofit food service are used to meet CACFP meal requirements and that costs claimed for reimbursement under CACFP are allowable, meaning they are necessary and reasonable for the effective and efficient operation of the food service.

Nonprofit food service operations must account for all income attributable to the food service including CACFP reimbursement. "Nonprofit food service is defined as food service operations conducted by the institution principally for the benefit of enrolled participants, from which all of the program reimbursement funds are used solely for the operations of improvement of such food service." Reference: December 2013 USDA-FNS *Monitoring Handbook for State Agencies*.

Operating Costs represent allowable expenses incurred by the institution for the preparation and service of meals under CACFP. Allowable operating costs include, but are not limited to: food costs and non-food supplies (napkins, utensils); compensation for food service labor cost; and costs for purchases/services.

Food Costs are expenditures for the food used in all meals under the CACFP. Original itemized food and milk records/receipts must be maintained to support monthly claims for reimbursement and to document nonprofit food service operations. Receipts must be machine generated, dated, itemized, and legible. If meals are provided by a caterer or food service management company, the center must maintain original expense documentation of catered meals as well as any incidental food and non-food purchases.

The Community Food and Nutrition Assistance (CFNA) will examine original food and milk receipts and invoices to determine if the sponsor/center purchased adequate amounts of food and milk to meet the minimum meal pattern requirements and that the receipts support the menu for the review month. Key food items of interest that are easily tracked through the monitoring review process are perishables such as bread, milk, and fresh produce. Food items, perishables in particular, must be purchased or delivered on a regular basis due to their limited shelf life. Receipts should verify purchase of menu items prior to the date the menu items are on the daily dated menu.

Fluid milk is a required meal component at breakfast, lunch, and supper meals. Program regulations require that at least the minimum amount of all components be served to allow the meals to be claimed for reimbursement. Unflavored whole milk must be served to children one year old. Unflavored low-fat (1%) or fat-free (skim) milk must be served to children 2 through 5 years old; unflavored low-fat (1%) or unflavored/flavored fat-free (skim) milk must be served to

children 6 years old and older and adults. Document the type of milk served on the menu. Inadequate milk purchase amounts and non-compliant milk purchase types will result in meal disallowances at CACFP monitoring reviews.

Milk purchase requirements for breakfast, lunch, and supper are as follows:

Amount	Servings per Gallon	Age of Participants
6 oz. or ¾ cup	21 servings	3 through 5 years
8 oz. or 1 cup	16 servings	6 years and older

Food Service Labor Costs: Sites must document the cost of food service labor needed for the operation of the CACFP. This may include wages, salaries, employee benefits, and the share of taxes paid by the independent center necessary to perform the following tasks: menu planning and purchasing, meal preparation, serving, and cleanup of program meals; supervision of day- to-day food service operations including supervision of children during the meal service, and on site preparation of daily program meal service records.

Non-Food Supply Cost includes small kitchen equipment, paper goods, such as napkins and straws, and cleaning supplies used directly for the food service operation. Itemized receipts must be kept on file as documentation.

Purchased Services – Indirect Costs are items such as prorated utilities (shared services), equipment rental, rental of facilities, and minor repairs. Refer to the Sponsor’s Budget tab on the Application/Claims database for indirect expenses approved for your organization. Sponsors of only one At-Risk site are required to update the budget every three fiscal years during the CACFP renewal process. Sponsoring Organizations (SO) must submit updated budgets annually. The CFNA will provide assistance on what records are needed to support these costs.

Administrative Costs are expenses, allowable costs, incurred by an institution in planning, organizing, and managing the food services operation under the CACFP. These costs may include labor for management, fringe benefits, traveling, and other costs necessary to manage and implement the program [FNS Instruction 796-2, Rev. 4 (VII D 2)].

Miscellaneous Food Purchasing Information

CACFP food purchased with a Supplemental Nutrition Assistance Program (SNAP, formerly called Food Stamps) electronic benefit transfer (EBT) card is not allowed and demonstrates a lack of business integrity. SNAP regulation program violations consist of having intentionally used, presented, transferred, acquired, received, possessed, or trafficked authorization cards. The Family Support Division (FSD) (Social Services) will be notified when CACFP purchases are made using an EBT card.

Food Sources: To claim reimbursement for meals or snacks, sponsors must supply all of the CACFP meal components and the food must originate from a source in compliance with Missouri Food Code laws. These traditional (approved) food sources include food purchased from food service distributors, supermarket chains, convenience stores, local grocers, and other retail stores selling food and non-food items in compliance with Missouri Food Code laws. Some examples of non-traditional (approved) food sources that may be used as part of a reimbursable meal include but are not limited to:

- Center Gardens - Food that is grown from seed or plant can be harvested and used for meals claimed in the CACFP. These costs may include seeds, fertilizer, labor, plot rental, etc.; however, the center must maintain documentation of costs incurred.
- Farmers Market or Roadside Produce stands – These costs purchases are limited to fresh (not packaged), unprepared (whole, uncut) locally grown fruits, vegetables, in-shell nuts, and fresh herb sprigs. Garden donations of fresh produce grown in gardens other than the center garden may be used as part of a reimbursable meal and include these same items.

Unapproved food sources – foods such as home canned, packaged or butchered, unless inspected by United States Department of Agriculture (USDA), cannot be used in the CACFP.

Income/Funds: Sources of funding can vary by organization type, size, and structure. In addition to the reimbursement from the CACFP, some institutions fund their operation from tuition fees and fund raising activities, while others may have funding streams generated from activities outside of the CACFP. Program income is the gross income generated from activities supported by the CACFP. Income sources include all monies received from state, federal, or local government sources; any center funds used to subsidize the food service program; any payments for adult meals, and any other income including loans and donations to the food program. Regardless of the source, all income must be maintained in the nonprofit food service account and used for only approved costs. Refer to your budget on the Application/Claims database for other income sources or contact CFNA for guidance.

Documentation of Nonprofit Foodservice form (CACFP-214) documents monthly food service costs, the amount of labor, and indirect costs attributable to the food service.

- Compare the total amount of food cost expenditures to the CACFP monthly reimbursement. If the food cost expenditures for the month are greater than the monthly CACFP reimbursement, the center does not need to document other operating costs. If the food costs for the month are less than the monthly CACFP reimbursement, the center must document food service labor costs (+ non-food supplies, if needed) on form CACFP-214.
 - NOTE: The total food, non-food, and labor costs total typically exceeds the reimbursement and no further action needs to be taken; however, if the food costs + labor costs + non-food costs are less than the monthly CACFP reimbursement, then expendable and non-expendable food service equipment costs must be calculated. Expendable food service equipment has a durability under two years and costs \$500 or less. Non-expendable food service equipment has a durability of two years or more with a cost exceeding \$500.
- Add total labor cost, total food costs, non-food costs, and total indirect costs (if applicable) on CACFP-214 to get the “Grand Total” sum. Compare this amount to the monthly CACFP reimbursement plus income to the program (if applicable).

