

	MISSOURI DEPARTMENT OF HEALTH AND SENIOR SERVICES CHILD AND ADULT CARE FOOD PROGRAM		ISSUED	REVISED	CHAPTER	SECTION
	Sponsoring Organizations of Homes POLICY & PROCEDURE MANUAL		12/90	6/12	6	6.6
CHAPTER Chapter 6. Financial Management			SUBJECT Unallowable Costs			

Claims for CACFP administrative reimbursement may not include any of the following unallowable costs:

**Bad Debts** – Any debts and losses arising from uncollected accounts, late payment charges, insufficient fund charges, related collection costs and legal fees and other claims.

**Contingencies** – Contributions to a contingency reserve or any similar provision for unforeseen events.

**Contributions and Donations** – Federal funds may not be used as contributions or donations.

**Entertainment** – Amusements, social activities, and incidental costs such as meals, beverages, lodging, rentals, transportation, and gratuities.

**Fines and Penalties** – Costs resulting from failure to comply with Federal, State, and local laws and regulations.

**Interest and Other Financial Costs** – Interest for reacquiring equipment or other property held by the organization or a related party through repurchase or refinancing operations, and associated legal and professional fees, interest on borrowed capital and fees and charges in lieu of unallowable interest.

**Legal Expenses** – Unallowable when incurred for the prosecution of claims against the federal government or the grantee. An example of the latter would be legal expenses incurred when attempting to collect unallowable costs claimed for reimbursement by a former employee of the sponsoring organization.

**Political or Partisan Costs** – Grant funds may not be used for partisan or political advocacy purposes or lobby efforts.

**Under Recovery of Costs Under Grant Agreements** – Any excess of costs over the federal contribution under another grant agreement.

**General Business Expenses** – Costs related to organization and reorganization, stock offering and stock redemption costs, costs incurred to meet or maintain the organization's incorporation or not-for-profit status and costs for filing Federal and State income tax forms.