

	MISSOURI DEPARTMENT OF HEALTH AND SENIOR SERVICES CHILD AND ADULT CARE FOOD PROGRAM		ISSUED	REVISED	CHAPTER	SECTION
	CHILD CARE CENTERS POLICY & PROCEDURE MANUAL		3/91	1/15	8	8.2
CHAPTER Chapter 8. Recordkeeping			SUBJECT Records to Support Program Cost			

An institution must verify that all reimbursement received from CACFP is being used for the food service operation. Records which must be kept on file to support program costs are:

- Operating costs.** Operating costs include food expenditures, labor costs, non-food purchases, and contracted service costs. Receipts for food shall be maintained to verify food expenditures. Any expenses for personal items or items not related to the food service shall not be included in the operating cost of the food service. Non-food purchases which may be included as operating costs are those non-food items required for the food service operation. Examples of non-food purchases which could be included as operating costs are paper plates, plastic utensils, glassware, or cleaning supplies used only for the food service.

If the total food expenditures exceed the monthly CACFP reimbursement, no other operating costs need to be documented. If total food expenditures are less than the CACFP reimbursement, operating costs of labor and non-food purchases must be documented. If total operating costs are less than the monthly CACFP reimbursement, documentation of indirect costs must be maintained.

- Indirect costs.** Indirect costs are costs which are shared by other programs of the institution. Examples of indirect costs are rent, utilities, or salaries for teachers. Rent is paid monthly for an entire center. A portion of that rent could be charged to the food service operation for the kitchen area.

For Example

Monthly rent for XYZ Child Care Center is:	\$600
One-fourth of the child care facility is in the kitchen area:	<u>x .25</u>
\$150 of the rent could be charged to the food service.	\$150

The cost (mortgage) for a building owned by the institution cannot be included as indirect costs.

Reference: 7 CFR 226.10