



SECTION 3: Financial Management

Emergency shelters participating in CACFP must demonstrate fiscal management and nonprofit food service.

- Operating Costs
- Administrative Costs
- Purchasing
- Donated Foods Log, CACFP/SFSP 670
- Documentation of Nonprofit Foodservice, CACFP-214

Financial Management and Nonprofit Documentation

Meal Reimbursement Information: Children and persons with disabilities who reside in emergency shelters are automatically eligible for free meals and snacks, so shelters are reimbursed at the highest rate. The reimbursement rates are effective from July 1st through June 30th. The reimbursement rate for the breakfast, lunch, and snack meals includes the 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 at <http://health.mo.gov/cacfp> under Rates.

Financial Management: The purpose of the financial management review is to verify all financial information related to the nonprofit meal service. The purpose is also to ensure 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. All costs charged to the nonprofit food service must be listed in the budget approved by the state agency.

The review of the institution's financial management includes a review of all income and expenses of the organization, whether it is an independent (single) center or a sponsoring organization (SO) of multiple facilities. **Organizations and facilities must maintain and retain the required documentation.** Failure to maintain these records may be grounds for the denial of reimbursement.

However, it is recognized that shelters are often run by volunteers and operate with a limited budget. Therefore, the intent is to avoid the creation of undue record-keeping burdens. A simple record of revenues and expenditures for food service operations is all we are seeking. These records will serve to ensure that reimbursement is used only to support food service to eligible children.

Nonprofit food service is defined as food service operations conducted by the institution principally for the benefit of enrolled participants, from which all the program reimbursement funds are used solely for the operations of improvement of such food service. (CFR 226.2)

Due to the nature of their operations, emergency shelters may have difficulty demonstrating a non-profit food service. CACFP policy stipulates that a simple record of food service revenues and expenditures is sufficient to document a non-profit food service. Therefore, if an emergency shelter satisfactorily demonstrates a non-profit food service at the point of application/renewal, a State agency shall not require additional documentation except as necessary for corrective action. (Resource: [Policy Memo CACFP 11-2007 - Accommodations for Non-Traditional Program Operators](#))

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 and non-food supplies (e.g., napkins, cooking and eating utensils), compensation for food service labor costs, and costs for purchases or services.

Food Costs are expenditures for the food used in all meals under CACFP. Original, itemized food and milk records or 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 and any incidental food and non-food purchases.

The Department of Health and Senior Services-Community Food and Nutrition Assistance (DHSS-CFNA) will examine original food and milk receipts and invoices to determine if the 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. Food items, especially perishables, must be purchased or delivered on a regular basis due to their limited shelf life. If donated foods are used to prepare program meals, document those foods on the [Monthly Donated Food Log](#). Receipts and donation logs should verify the menu items were purchased or received 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 1 year old. Unflavored low-fat (1%) or fat-free (skim) milk must be served to children 2 through 5 years old. Unflavored/flavored low-fat (1%) or 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
4 oz. or ½ cup	32 servings	1 through 2 years
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: Centers 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 clean-up 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 Costs include 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 CACFP web-based system for indirect expenses approved for your center. Independent centers and Sponsoring Organizations must submit updated budgets annually during the CACFP renewal process. CFNA will provide assistance on which records are needed to support these costs.

Administrative Costs are expenses and allowable costs incurred by an organization in planning, organizing, and managing the food service operation under 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)]. The portion of the administrative costs to be charged to the program may not exceed 15 percent of the meal reimbursements estimated or actually earned during the budget year [(7 CFR 226.16(b)(1))].

Miscellaneous Food Purchasing Information

Food Sources: All food must originate from a source that is 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** - costs associated with growing food that will be used in the CACFP, either as part of a meal service or for activities related to nutrition education, are allowable. These costs may include seeds, fertilizer, labor, plot rental, etc. However, the center must maintain documentation of costs incurred.
- **Food Bank and Food Pantries** - nonprofit, faith-based and public centers may be eligible to purchase food from approved sources with appropriate documentation. Itemized receipts with the agency price per pound, for instance, price extension and food name, must be maintained. Contact CFNA to ensure food bank and pantry purchases are creditable.
- **Farmers Market or Roadside Produce Stands** are limited to the purchase of fresh and unpackaged, 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.

Refer to the USDA [Food Buying Guide for Child Nutrition Programs](#) (FBG); for additional information prior to purchasing items from approved and unapproved sources.

Donated Food Sources: Donated foods, including donated restaurant-prepared meals served to eligible resident participants, may be claimed for reimbursement as long as they meet CACFP meal pattern requirements. Many shelters are charitable institutions that may depend entirely on donations of food—from USDA, food banks, corporations, restaurants, caterers, private charities, and individual donors. Reimbursable meals and snacks made from donated foods must contain creditable amounts of each required food component. The shelter may have to add other food items to the meal service to ensure that it contains the minimum amounts of meat or meat alternates, vegetables, fruit, grains or bread, and fluid milk to be eligible for reimbursement. All donated food must be recorded on the [Monthly Donated Food Log](#), which is available at www.health.mo.gov/cacfp - Forms.

Income and/or Additional Funding: Sources of funding can vary by organization type, size, and structure. In addition to the reimbursement from CACFP, some institutions fund their operation from tuition fees and fundraising activities, while others may have other funding streams generated from activities outside of CACFP. Program income is the gross income generated from activities, local government sources, any center funds used to subsidize the food service program, any income 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 only for approved costs. Please contact DHSS-CFNA if you need further guidance.

Documentation of Nonprofit Foodservice (CACFP-214): This form may be used to document monthly food service costs and expenses, the amount of labor, and indirect costs attributable to the food service.

How to use CACFP-214:

- Compare the total expenditure on food costs 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 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 must be calculated.
 - Expendable food service equipment has durability under two years and costs \$5,000 or less.
 - Non-expendable food service equipment has a durability of two years or more with a cost exceeding \$5,000.
- Add total labor costs, 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 meal income (if applicable), to the program.



MISSOURI DEPARTMENT OF HEALTH AND SENIOR SERVICES
 COMMUNITY FOOD AND NUTRITION ASSISTANCE (CFNA)
DONATED FOOD LOG

Instructions: When a food donation is made to your agency, document the information below. An example is provided. Agencies may use donated foods received from the community for preparing meals that will be served to participants.

- Donated foods must be inspected to assure they are in good condition, not expired or outdated, and not tampered with.
- Donated foods must be creditable and meet the meal pattern requirements. See USDA's Food Buying Guide for Child Nutrition Programs.
- Families are NOT required to donate food.
- Food purchased with WIC or SNAP funds CANNOT be accepted as donations.
- All sponsors must keep accurate records of their operating costs to document the nonprofit status of their food service.

Date	Food Item Donated	Donation Quantity	Donation Source	Signature of Donor
1/15/XXXX	Cheerios (12 oz.)	3 Boxes	Parent	<i>John Doe</i>



MISSOURI DEPARTMENT OF HEALTH AND SENIOR SERVICES
 COMMUNITY FOOD AND NUTRITION ASSISTANCE (CFNA)
 CHILD AND ADULT CARE FOOD PROGRAM (CACFP)
DOCUMENTATION OF NONPROFIT FOOD SERVICE

Correct Example

FACILITY NAME ANN'S ANGELS EMERGENCY SHELTER						CLAIM MONTH MARCH CLAIM \$2,450.10	
POSITION TITLE/EMPLOYEE	SALARY PER HOUR	X	HOURS WORKED PER DAY ON FOOD SERVICE	X	DAYS WORKED PER MONTH	=	SUB TOTALS
Shelter Director	\$20.00 / hour	X	1 hour / day = \$20.00	X	20 days/month	=	\$400.00
Resident Assistant	\$14.00 / hour	X	2.5 hours / day = \$35.00	X	20 days/month	=	\$700.00
Cook	\$14.00 / hour	X	6 hours / day = \$84.00	X	20 days/month	=	\$1,680.00
		X		X		=	
		X		X		=	
		X		X		=	
		X		X		=	
		X		X		=	
TOTAL LABOR COST						=	\$2,780.00

INDIRECT COSTS	AMOUNT	X	PERCENT OF FOODSERVICE USAGE OR PERCENT OF FOODSERVICE SQUARE FOOTAGE	=	SUB TOTALS		GRAND TOTAL SPENT ON CACFP	
Waste disposal	\$48.00	X		=	\$48.00	TOTAL FOOD COSTS (MAINTAIN RECEIPTS)	\$1,825.50	
Utilities	\$310.00	X	15%	=	\$46.50	TOTAL NON-FOOD COSTS (MAINTAIN RECEIPTS)		
		X		=		TOTAL LABOR COSTS	\$2,780.00	
		X		=		TOTAL INDIRECT COSTS (IF APPLICABLE)	\$94.50	
TOTAL INDIRECT COSTS					=	\$94.50	GRAND TOTAL	\$4,700.00



MISSOURI DEPARTMENT OF HEALTH AND SENIOR SERVICES
 COMMUNITY FOOD AND NUTRITION ASSISTANCE (CFNA)
 CHILD AND ADULT CARE FOOD PROGRAM (CACFP)
DOCUMENTATION OF NONPROFIT FOODSERVICE

FACILITY NAME						CLAIM MONTH	
POSITION TITLE/EMPLOYEE	SALARY PER HOUR	X	HOURS WORKED PER DAY ON FOOD SERVICE	X	DAYS WORKED PER MONTH	=	SUB TOTALS
		X		X		=	
		X		X		=	
		X		X		=	
		X		X		=	
		X		X		=	
		X		X		=	
		X		X		=	
		X		X		=	
		X		X		=	
TOTAL LABOR COST						=	

INDIRECT COSTS	AMOUNT	X	PERCENT OF FOODSERVICE USEAGE OR PERCENT OF FOODSERVICE SQUARE FOOTAGE	=	SUB TOTALS		GRAND TOTAL SPENT ON CACFP
		X		=		TOTAL FOOD COSTS (MAINTAIN RECEIPTS)	
		X		=		TOTAL NON-FOOD COSTS (MAINTAIN RECEIPTS)	
		X		=		TOTAL LABOR COSTS	
		X		=		TOTAL INDIRECT COSTS (IF APPLICABLE)	
TOTAL INDIRECT COSTS					=		GRAND TOTAL

