CACFP TRAINING
Spotlight

DPI COMMUNITY NUTRITION TEAM

IN THIS HANDOUT:

CACFP Costs

All CACFP programs must:

- **Spend CACFP reimbursement on allowable costs associated with serving CACFP meals**

- **Maintain support documentation and a tracking system for costs**

This handout provides information on allowable and unallowable costs, explains how to determine what your agency's CACFP costs are, and includes information on maintaining support documentation and a tracking system.

This handout is not applicable to family daycare home providers.

The amount of CACFP reimbursement an agency receives is based on the number of creditable meals served to eligible participants. CACFP reimbursement can only be spent on allowable costs associated with these meals. Once CACFP reimbursement is spent, other program funds must be used to supplement the remaining costs of providing meals.

Determining CACFP Costs and Where Reimbursement is Spent

On the next page is a chart listing costs that CACFP reimbursement can be spent on in the order it should be spent. To determine your agency's CACFP costs and where reimbursement is spent, first you must know the amount of CACFP reimbursement your agency receives (this can be the monthly or annual amount received). Then:

- Start at the top of the chart, with Food Supplies. Is the CACFP reimbursement your agency receives enough to pay for **all** allowable Food Supply costs?

  - If no, stop. CACFP reimbursement is spent only on Food Supplies. The agency must use other program funds to supplement any remaining Food Supply costs and any other costs associated with providing meals.

  - If yes, and there is reimbursement remaining to be spent, move onto the next item on the list (i.e., Kitchen Supplies).

- Continue going down the list of costs until all CACFP reimbursement is spent, then stop. Remaining costs on the list are not paid with CACFP reimbursement. These costs must be paid for with other program funds.

There are two examples on page 3 that illustrate how to determine CACFP Costs.

List of CACFP Costs

Below is a list of how CACFP reimbursement can be spent in the order it should be spent.

Cost Type	What is Allowable	Support Documentation Required	What is Unallowable
Food Supplies	Food items used in CACFP reimbursable meals (e.g., creditable foods, condiments, spices, ingredients used in recipes)	• Dated and itemized receipts and/or invoices. Must show method of payment or account code charged . • Co-mingled receipts must have allowable food purchased for CACFP identified.	• Non-creditable foods • Items for staff (ex. coffee) • Food purchased for non-CACFP activities (ex. family night; cooking activities outside of CACFP meal) • Personal food supplies
Kitchen Supplies (Nonfood)	Nonfood items used primarily for CACFP food service (e.g., paper goods, cleaning products, utensils, dishes)	• Dated and itemized receipts and/or invoices. Must show method of payment or account code charged. • Co-mingled receipts must have allowable kitchen supplies purchased for CACFP identified.	• Center supplies (e.g., toilet paper; supplies for classroom activities) • Personal items
Contract/ Vended Meals (includes FSMC)	Costs for the purchase of reimbursable meals	• Monthly invoice from vendor showing the number of reimbursable meals ordered/delivered. Must show method of payment. • Delivery/Fuel charge is allowable and can be included in total cost.	• Cost of non-reimbursable meals provided by vendor • Unapproved Vendor • Related party vendor if not disclosed to DPI
Wages/Salary for Food Program Operational Personnel (Kitchen Staff)	Wages for time spent on CACFP operational tasks	• Timesheets documenting the number of hours worked in a time period. • If the employee works in other areas of the agency, a log of number of hours spent on CACFP tasks must accompany the timesheet.	• Employees not doing CACFP operational tasks • Individuals not employed by the organization • Volunteers • Wages for time spent on non-CACFP work • Employees paid in cash
Kitchen Equipment Purchase/ Rental	Costs approved in the budget in CACFP contract	• Dated and itemized receipts and/or invoices. Must show method of payment or account code charged. • Documentation that proper procurement procedures were followed per Federal Regulations.	• Costs not approved in budget in CACFP contract • Unnecessary item(s) • Unreasonable costs
Employee CACFP Travel/ Mileage	Costs associated with CACFP only Mileage allocation / reimbursement cannot exceed the current federal rate	• Travel log which includes (at a minimum): date(s) of travel; employee name; purpose (e.g., grocery shopping); number of miles traveled. • Agency-written policy on employee reimbursement of mileage.	• Personal travel • An entire tank fill (i.e., gas receipts) • Mileage allocation / reimbursement in excess of the federal rate
Wages/Salary for Food Program Admin Personnel	Wages for time spent on CACFP admin tasks No more than 15% of meal reimbursement can be spent on admin costs	• Timesheets documenting the number of hours worked in a time period. • If the employee works in other areas of the agency, a log of number of hours spent on CACFP tasks must accompany the timesheet.	• Employees not doing CACFP admin tasks • Individuals not employed by the organization • Volunteers • Wages for time spent on non-CACFP work • Employees paid in cash

Below are two examples that illustrate how to determine CACFP Costs.

- Agency A receives $25,000 in annual CACFP reimbursement. CACFP Food Supply costs are $30,000/year. This amount is more than the amount of reimbursement received, therefore, CACFP reimbursement was only spent on Food Supplies.

- Agency B receives $100,000 in annual CACFP reimbursement. CACFP Food Supply costs are $70,000/year. This amount is less than reimbursement received; the agency has $30,000 left to spend. The next item on the list is Kitchen Supplies. Kitchen Supply costs are $20,000; there is still $10,000 remaining. The next applicable cost for this agency is Kitchen Staff Wages. The cook's salary is $40,000; $10,000 which is funded with CACFP reimbursement. Therefore, CACFP reimbursement was spent on Food Supplies, Kitchen Supplies, and Kitchen Staff Wages.

Documentation of CACFP Costs

All CACFP costs must be supported with documentation to show that CACFP reimbursement paid for allowable costs. See the 'Support Documentation Required' column in the chart on page 2 for information on documentation to maintain.

When different types of CACFP costs and/or non-CACFP costs are co-mingled on a receipt/invoice, a system must be in place to review receipts/invoices and allocate costs appropriately.

For example, if a receipt includes CACFP food supplies, CACFP kitchen supplies, and non-CACFP costs (unallowable costs), these items must be identified on the receipt. Notate the type of cost next to each item (ex. F = food supply, K = kitchen supply, UA = unallowable cost). Then record the totals for each type of cost on the receipt or invoice. See the example on the right.

> **All support documentation must be retained on file. If original support documentation is not kept onsite, a legible copy must be made and kept onsite.**

ABC Store
10/10/20XX

4# Ground Beef...16.00
Chicken breast..6.00
Stainless steel pot.......................................15.00 K
I/F infant formula (5@$20)......................100.00
Candy bar (4@$0.50).....................................2.00 UA
12 pack Soda...5.00 UA
Cheerios (3@$4.00)....................................12.00
Dish soap..4.00 K
Spaghetti noodles (2@$1.00).......................2.00
Tomato sauce (4@1.00)...............................4.00
Paper towels (2@$2.00).............................4.00 K
Coffee..6.00 UA

Total.......................................$176.00

Debit card XXXXXX   Approved

Thank you!

CACFP Food: $140
Kitchen Supplies (K): $23
Unallowable Costs (UA): $13

Tracking System for CACFP Costs

Agencies must have an accounting system in place to track CACFP expenses. This can be done by including CACFP categories in your current accounting system (i.e., QuickBooks) or by completing the DPI General Ledger monthly.
- DPI General Ledger - Independent Center
- DPI General Ledger-Sponsoring Organization

Public schools must code CACFP expenses in Fund 50, Project Code 551.

All CACFP costs must be correctly recorded in the tracking system.