

OSPI CNS Child and Adult Care Food Program (CACFP) Reference Sheet

Maintaining a Non-Profit Food Service Operation

Institutions operating the Child and Adult Care Food Program (CACFP) must maintain a non-profit food service operation and keep documentation of food service expenses. All federal reimbursement funds received must be spent on CACFP program expenses. Acceptable documentation includes itemized receipts, invoices, and payroll records.

Requirements

✓ Annual Budget

Institutions must submit an annual budget to OSPI at the time of application and annually during the CACFP renewal period. The budget includes Operating costs, Administrative costs, and the accounting method the institution will use.

- **Operating Costs** are associated with the food service. This includes:
 - Purchases of creditable foods
 - Labor costs for staff who prepare and serve meals
 - Purchases of non-food supplies for meal service i.e. plates, napkins, cups.
- **Administrative costs** are associated with planning, organizing, and managing the food service operation. Examples include the development, implementation and oversight of:
 - Management plans (if a sponsoring organization)
 - Food service operation budgets
 - Internal policies and procedures
 - Training staff on CACFP requirements
 - Conducting monitoring visits
- All food service program costs must be accounted for through the consistent use of *Generally Accepted Accounting Principles* (GAAP).

✓ Administrative Oversight

- Institutions may **not** contract out for management of the CACFP under any circumstance including:
 - Monitoring
 - Corrective action
 - Preparation of application materials



- Institutions **may** contract for specific management tasks, such as:
 - Bookkeeping (Not claim submission)
 - Data processing
 - Services of a nutritionist or Registered Dietician

Best Practices

- ✓ Track and monitor your costs to establish accurate budget planning.
- ✓ File copies of your claim each month with detailed purchase logs and staff labor costs.
- ✓ To ensure meal pattern requirements are met and nutritious meals are served, it is recommended to spend at least 50% of the CACFP meal reimbursement on food purchases.
- ✓ Maintain policy and procedures for internal controls and update when needed.
- ✓ Costs must be approved in advance by OSPI through the annual budget or budget revision process.

Reference

- [FNS instruction 796.2, Rev.4.](#)

Resources

- Administrative Expense Worksheet (coming soon)
- [Allowable Cost Reference Sheet](#)
- [CACFP Budget Reference Sheet](#)
- Operational Expense Worksheet (coming soon)

Acronym Reference

- CACFP- Child and Adult Care Food Program
- CNS- Child Nutrition Services
- GAAP- Generally Accepted Accounting Principles
- OSPI- Office of Superintendent of Public Instruction
- USDA- United States Department of Agriculture