

OSPI CNS Community Nutrition Programs Reference Sheet

Financial Viability, Capability, and Accountability (VCA)

Child Nutrition Program (CNP) operators are reimbursed with funds from the U.S. Department of Agriculture (USDA). Federal regulations require Child and Adult Care Food Program (CACFP) and Summer Food Service Program (SFSP) operators to demonstrate financial viability, maintain adequate administrative capability and have internal controls for program accountability.

The CACFP and SFSP application process includes submitting documentation to support VCA prior to approval. If VCA cannot be determined through the assessment the institution will not be able to move forward in the application process.

Requirements

- **Financial Viability**
 - ✓ Operators must have adequate financial resources to support all food service operations daily.
 - ✓ Operators must demonstrate they are able to pay employees and suppliers during periods of temporary interruptions in program reimbursements.
 - ✓ Operators must show they can maintain operations if there are fiscal claims against the organization.
 - ✓ How to demonstrate financial viability:
 - Audit documentation,
 - Financial statements,
 - All costs are necessary, reasonable, allowable, and documented.

- **Administrative Capability**
 - ✓ Operators must have management structure that facilitates and maintains the operations of the food service program.
 - ✓ Operators must have adequate oversight, sufficient staff, and written personnel policies and procedures in place.
 - ✓ How to demonstrate administrative capability:
 - Adequate number of monitoring staff,
 - Have assigned responsibilities,
 - Create and maintain written policies and procedures that shows compliance of regulations and civil rights requirements.



- **Program Accountability**

- ✓ Operators must have internal controls and other management systems to ensure fiscal accountability and program compliance.
- ✓ Operators must have sound management practices that will result in the operation in accordance with meal service, record keeping, claim submissions and other operational requirements.
- ✓ How to demonstrate program accountability:
 - Have complete and appropriate records on file,
 - Perform monitoring visits in accordance with program requirements,
 - Create and implement written policies and procedures that shows compliance of regulations.

Best Practices

- ✓ Follow written policy and procedures and review at least annually with staff.
- ✓ Maintain accurate records and justify all costs and meals claimed.
- ✓ Timely repayment of reimbursement adjustments.
- ✓ Maintain [procurement standards](#).
- ✓ Establish a system for tracking receipts, invoices and all expenditures related to food services.
- ✓ Maintain staff training records with dates, times, attendees, and topics covered.
- ✓ Written policies and procedures that ensure compliance with civil rights requirements.
- ✓ Safeguard funds and property, ensure they are and used for authorized purposes.

References

- [7 CFR 225.14](#) (SFSP Program requirements)
- [USDA Guidance for Management Plans and Budgets](#)
- [FNS 796-2 Rev. 4](#)

Resources

- Administrative Capability Worksheet
- [CACFP New Institutions Reference Sheet](#)
- [Code of Conduct Reference Sheet](#)
- [New Sponsor SFSP Reference Sheet](#)
- [Procurement Reference Sheet](#)
- [Procurement Procedure Plan Reference Sheet](#)

Acronym Reference

- CACFP- Child and Adult Care Food Program
- CNP- Child Nutrition Programs
- CNS - Child Nutrition Services
- OSPI - Office of Superintendent of Public Instruction
- SFSP- Summer Food Service Program
- USDA - United States Department of Agriculture
- VCA- Viability Capability Accountability