

OSPI CNS Child and Adult Care Food Program Reference Sheet

Budget

The Child and Adult Care Food Program (CACFP) requires institutions to demonstrate Financial Viability, Capability, and Accountability (VCA) prior to program approval. Part of the VCA assessment conducted by the Office of Superintendent of Public Instruction (OSPI) includes submitting a budget in the Washington Integrated Nutrition System (WINS). Allowable costs must be necessary, reasonable, authorized, current, properly allocated, and documented. All food service program costs must be accounted through the consistent use of Generally Accepted Accounting Principles (GAAP). For requirements and additional information, please review the [VCA Reference Sheet](#).

Requirements

- ✓ All **projected revenue** should be accounted for in the budget.
 - This includes other resources that will be used to support the food service operations (example: tuition, general fund and grant funding).
 - CACFP reimbursement revenue is meant to improve the quality of existing meal services and offset operating and administrative expenses.
 - All CACFP sponsors must operate their food service in a *Non-Profit Food Service Status*.
- ✓ The budget should demonstrate how the projected revenue will be spent on allowable expenses. Projected expenses include both operating costs and administrative costs.
 - Operating Costs
Costs incurred by the institution for preparing and serving meals to eligible children. Examples of operating costs:
 - Food (purchasing/storing).
 - Non-food items (items used in food preparation, service and clean up).
 - Labor (to prepare, deliver, and serve meals/clean up).
 - Facilities (rental of food service facilities and equipment, utilities, and repairs involved in food preparation, service, and clean up).
 - Transportation (mileage for transporting meals to meal sites).
 - Administrative Costs
Costs incurred by institutions for activities related to planning, organizing, and administering the program. Institutions can use up to 15% of their annual reimbursement on administrative costs. Examples of administrative costs:
 - Labor (administrative, monitoring, clerical, bookkeeping).
 - Office supplies used for CACFP duties.



- Facilities (rental of office space, equipment, repairs and maintenance).
- Transportation (mileage for monitoring, parking expenses).
- Communications (telephone, postage, advertising).
- ✓ Monthly recordkeeping is required using accrual base accounting.
 - Accrual base accounting is an accounting method where revenue or expenses are recorded when a transaction occurs rather than when payment is received or made.
 - Total administrative expenditures will be entered with monthly claim submissions in WINS.
 - Financial reporting will be reviewed by OSPI on a quarterly and annual basis.

Best Practices

Steps to comply with requirements:

- ✓ Analyze former costs and use realistic projections for costs.
- ✓ Create policies and procedures for maintaining records and financial management.
- ✓ Maintain accurate records which justify all costs and meals claimed.
- ✓ Use tracking resources made available by OSPI for monthly expenditure records.
- ✓ Pay for unallowable purchases separately from allowable CACFP costs.

Reference

- [FNS Instruction 796-2 Rev. 4](#)
- [Guidance for Management Plans and Budgets CACFP Program Handbook](#)

Resources

- [VCA Reference Sheet](#)
- [Non-Profit Food Service Reference Sheet](#)
- [Monthly Administrative Expenditure Worksheet](#)
- [Monthly Operational Expenditure Worksheet](#)

Acronym Reference

- CACFP – Child and Adult Care Food Program
- CFR – Code of Federal Regulations
- CNS – Child Nutrition Services
- FNS – Food and Nutrition Services
- GAAP – Generally Accepted Accounting Principles
- OSPI – Office of Superintendent of Public Instruction
- USDA – United States Department of Agriculture
- VCA – Financial Viability, Capability, and Accountability
- WINS – Washington Integrated Nutrition System