

CACFP ANNUAL BUDGET

October 23, 2019

Budget Overview

- ▶ A financial plan for operating a business or business unit. It includes planned expenditures and anticipated resources for the upcoming fiscal year.
- ▶ It is an educated guess!

Purpose of a CACFP Budget



- ▶ **Financial Plan**
- ▶ **State Agency Approval**
- ▶ **Tool for Decision Making**
- ▶ **Serves as a Means of Monitoring Performance**

Perspectives



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Institutions

- Financial Roadmap

State Agency

- Financial Viability

How is a Budget Helpful?



Budget Alignment with Performance Standards

Financial Viability

- Showing a positive relationship between revenue and expenses

Administrative Capability

- Possessing skill sets that demonstrate that you're capable of running your business

Program Accountability

- Demonstrating the ability to record, track and report key information

Sources of Funding

The background of the slide features a dynamic, artistic representation of money falling from the top. Numerous US dollar bills of various denominations, including \$100, \$50, \$20, \$10, and \$5 bills, are shown in mid-air against a light blue sky with soft white clouds. The bills are scattered across the frame, creating a sense of abundance and movement. The overall aesthetic is clean and professional, with a green and white color scheme.

▶ Program Funds

- ▶ CACFP Reimbursement
- ▶ DCH Sponsor
Administrative Funds
- ▶ DCH Sponsor Carryover

▶ Non Program Funds

- ▶ Donations or Fundraisers
- ▶ Grants
- ▶ Unrestricted Funds

Budget Factors: Costs

Necessary

Reasonable

Allowable



Steps for Creating a CACFP Budget

Obtain historical revenue and expense information from the prior year

Enter the historical information in the “prior year” column on the budget document in CNPweb

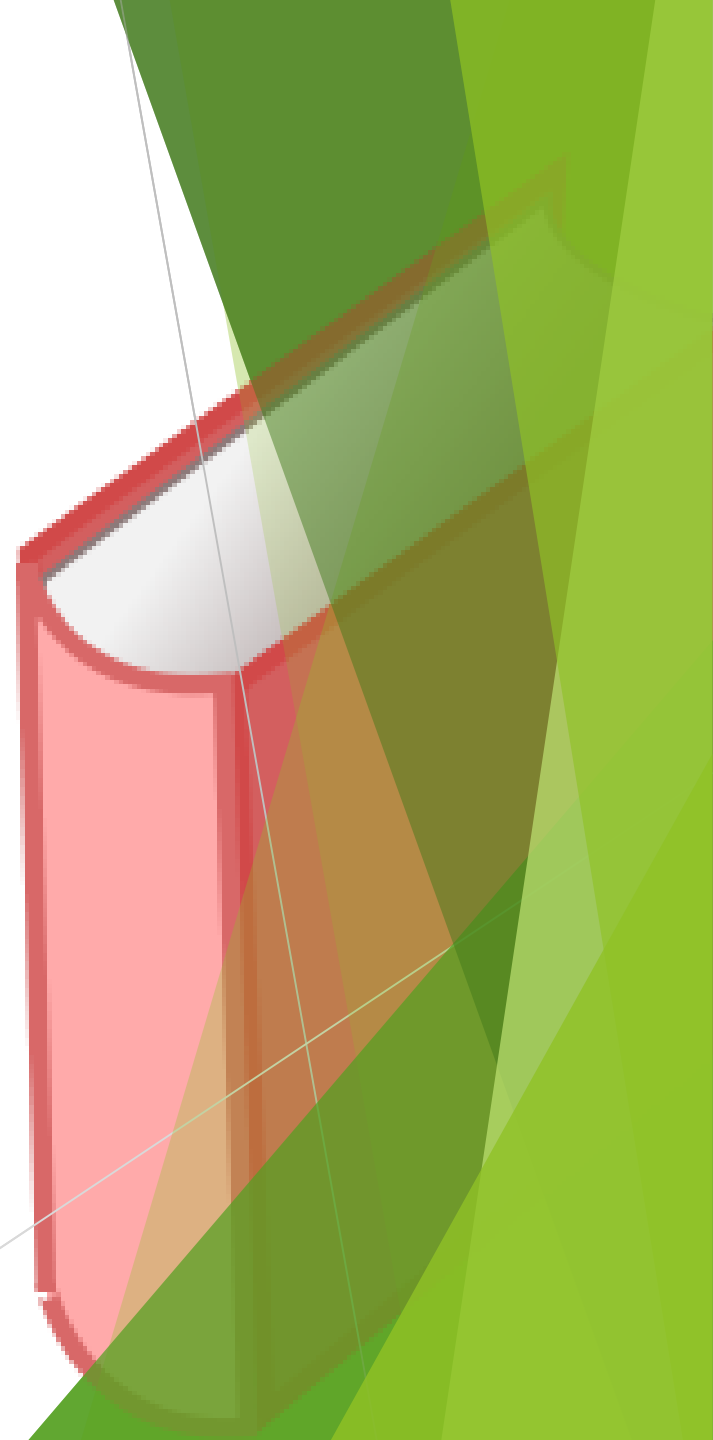
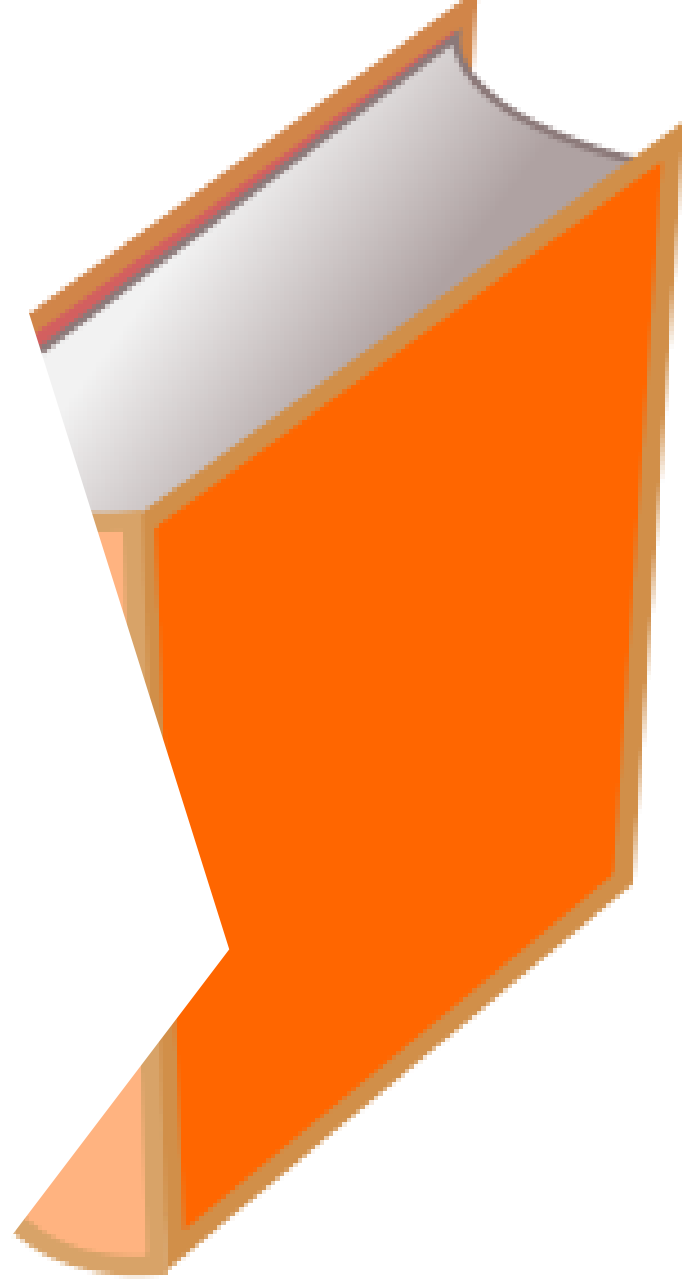
Determine anticipated changes to the new budget

Combine the data from steps 1, 2 & 3 to create your new CACFP budget

Conduct a final review of the budget

Historical Data

- ▶ Enrollment levels
- ▶ # of operating days
- ▶ Site staffing
- ▶ Equipment needs
- ▶ # of meals served



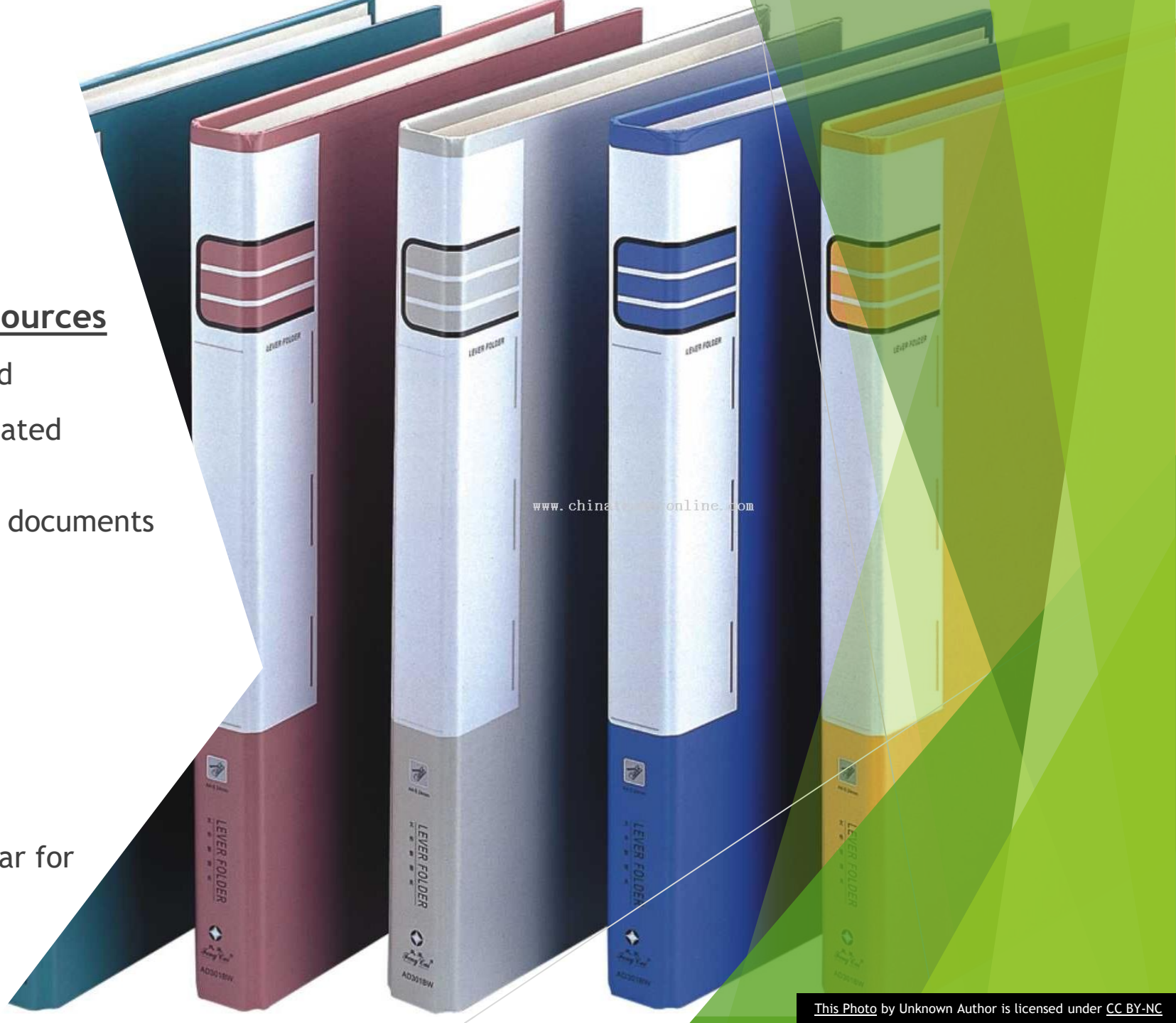
Supporting Documentation

▶ Documentation to Show Funding Sources

- ▶ Bank statement from fiscal year end
- ▶ Mathematical calculation of anticipated reimbursement
- ▶ Contribution letters or grant award documents
- ▶ Historical data on prior fundraisers

▶ Documentation to Show Expenses

- ▶ Prior year payroll data
- ▶ Quotes for anticipated purchases
- ▶ Receipts and invoices from prior year for continued expenses



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State Agency Approval

Prior Approval

- All expenses are approved when the State Agency approves your budget.

Specific Prior Written Approval

- Certain expenses require that you request written approval before including them in your budget

NERO Approval

- Some items require approval from the Regional office in Boston before they can be included in your budget

Prior Approval (PA) and Specific Prior Written Approval (SPWA)

Rectangular Snip

Actual Revenue
Prior Fiscal Year

Proposed Budget
New Fiscal Year

Section II: CACFP Expenses

- PA** *Prior approval is required. PA is effective when the Center Sponsor Budget is approved with the annual Program Year Packet unless MDOE disallows the specific cost in writing.*
- SPWA** *Specific prior written approval is required for costs that are not customarily incurred in the routine operation of the CACFP. These costs are not allowed unless the institution receives specific written approval from MDOE before the cost is incurred. Use the Off-Line Form, "**Request for Specific Prior Written Approval**" to submit a SPWA request.*

II-A. Nonprofit Food Service Operating Expenses		Prior Year	New Year
1.	Food Service Labor & Benefits <i>Include costs for all personnel who hold responsibility related to CACFP for food service operations. Duties may include meal preparation, serving, clean up, etc. Include all nonprofit food service costs whether or not funds are paid for using CACFP reimbursement funds.</i> ** SPWA required for payments of overtime, holiday pay for work performed on a non-work holiday and compensatory leave. <i>(FNS 796-2 Rev 4 VIII I 23 ; see section 23h for exceptions)</i>	0.00	0.00
2.	Food and Milk		
a.	Food and Milk <i>Retain all invoices and receipts as proof of purchase.</i>	0.00	0.00
b.	Meal Contracts (Submit copy of all contracts to MDOE) <i>Contact SA for additional information concerning meal contract requirements. Consult the following: 7 CFR 226.6 (standard contract); 7 CFR 226.20 (meal pattern requirements), 7 CFR 226.21 (food service management companies), 7 CFR 226.22 (procurement standards).</i>	0.00	0.00
c.	Mileage to Transport Food ** PA required (FNS 796-2 Rev 4 VIII I 39)	0.00	0.00

SPWA Letter Upload on Checklist Page in CNPweb

15.	Board of Directors					
16.	Letter requesting Specific Prior Written Approval for budget items					
17.	Indirect rate letter					
18.	501(c)(3) - Non-profit Only	8/19/2019	8/19/2019	9/3/2019	 	
19.	Equipment Maintenance Contracts- (N/A unless sponsor claimed equipment maintenance in budget)					
20.	Rental Agreement- (N/A unless claimed in sponsor budget)					
21.	Outside Employment Policy- (Applies to all sponsors, Except Independent Centers)	8/29/2019	8/29/2019	9/3/2019	 	
22.	Depreciation Schedule - (N/A unless sponsor claimed in budget)					
23.	18-19 At Risk School Addendum- **At Risk **Schools only					
24.	Budget approval letter for SPWA items					



Adequate Accounting System

Critical for managing
CACFP budgets

Contains your actual
costs for the prior year

Helps you compare your
budget to actuals

Best Practices



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- ▶ Conduct an internal review prior to submitting the budget to the State Agency.
- ▶ Monitor the budget to make sure that expenses are charged to the correct budget categories.
- ▶ Proactively revise the budget.
- ▶ Keep an ongoing “budget to actuals” analysis.
- ▶ Your actual costs at the end of the Program year can serve as a starting point for the budget for the upcoming year.

Recap

- ▶ Budgets should be considered to be “living documents” that should be revised as needed.
- ▶ Your budget should show the State Agency how you’re going to fund the vision that you presented in your management plan.
- ▶ Budgets should be supported with documentation and should comply with CACFP regulations.



Completing a Budget in CNPweb

- ▶ Once your Agreement is approved, the Sponsor Summary page looks like this:

Checklist		Applications	Activities	Claims	Payments	Users	
Number	Name			Revision	Status	Date Approved	Action
	Sponsor Application			0	Approved	9/3/2019	 
	Sponsor Budget Centers			0	Approved	9/3/2019	 
	Institution Management Plan			0	Approved	9/3/2019	 

Step 1

Section I: CACFP Revenue

Actual Revenue
Prior Fiscal Year

Proposed Budget
New Fiscal Year

I-A. CACFP Sources of Revenue		Prior Year	New Year
a.	Federal Reimbursement	87,580.03	85,000.00

Step 2

Section II: CACFP Expenses

Rectangular Snip

Actual Revenue
Prior Fiscal Year

Proposed Budget
New Fiscal Year

PA *Prior approval is required. PA is effective when the Center Sponsor Budget is approved with the annual Program Year Packet unless MDOE disallows the specific cost in writing.*

SPWA *Specific prior written approval is required for costs that are not customarily incurred in the routine operation of the CACFP. These costs are not allowed unless the institution receives specific written approval from MDOE before the cost is incurred. Use the Off-Line Form, "Request for Specific Prior Written Approval" to submit a SPWA request.*

II-A. Nonprofit Food Service Operating Expenses		Prior Year	New Year
1.	<p>Food Service Labor & Benefits <i>Include costs for all personnel who hold responsibility related to CACFP for food service operations. Duties may include meal preparation, serving, clean up, etc. Include all nonprofit food service costs whether or not funds are paid for using CACFP reimbursement funds.</i> ** SPWA required for payments of overtime, holiday pay for work performed on a non-work holiday and compensatory leave. <i>(FNS 796-2 Rev 4 VIII I 23 ; see section 23h for exceptions)</i></p>	55,713.58	100,127.07
2.	<p>Food and Milk</p>		
a.	<p>Food and Milk <i>Retain all invoices and receipts as proof of purchase.</i></p>	106,485.00	78,000.00
b.	<p>Meal Contracts (Submit copy of all contracts to MDOE) <i>Contact SA for additional information concerning meal contract requirements. Consult the following: 7 CFR 226.6 (standard contract); 7 CFR 226.20 (meal pattern requirements), 7 CFR 226.21 (food service management companies), 7 CFR 226.22 (procurement standards).</i></p>	0.00	0.00
c.	<p>Mileage to Transport Food ** PA required (FNS 796-2 Rev 4 VIII I 39)</p>	0.00	0.00
3.	<p>Non-Food Supplies</p>		
a.	<p>Non-Food Supplies <i>Include cost of expendable supplies used for food service operations Expendable supplies are items costing less than \$5,000 with</i></p>	2,145.00	2,690.00

Step 3

II-B: Nonprofit Food Service Administrative Expenses		Prior Year	New Year
Administrative costs charged to the CACFP may not exceed 15% of the federal meal reimbursement amount. (7 CFR 226.7(g))			
1.	Administrative Labor & Benefits Include allowable costs for planning, organizing and managing the CACFP program. ** SPWA required for overtime pay, holiday pay for work performed on a non-work holiday and compensatory leave. (FNS 796-2 Rev 4 VIII I 23 h p 51-53; see section 23h for exceptions)	46,125.73	15,500.00
Subtotal Administrative Labor and Benefits		46,125.73	15,500.00

2.	Office Supplies	Prior Year	New Year
a.	Expendable Office Supplies Items costing less than \$500 per item per year (examples: pencils, pens, folders, paperclips) may be grouped here.	175.00	0.00
	List expendable office supply item(s) costing more than \$500 per year and the total annual cost of each item (these costs should be included in (a): <input type="text"/>		
b.	Durable Office Supplies under \$5,000 Include costs for administrative supplies having a life expectancy of more than one year and an acquisition cost less than \$5,000 per unit or less than the institution's definition of equipment, whichever is less. Durable office supplies may be expensed at time of purchase. (FNS 796-2 Rev 4 VIII I 27)	0.00	0.00
c.	Equipment Purchase, over \$5,000 Include costs for administrative equipment with a useful life expectancy of more than a year and an acquisition cost of \$5,000 or more per unit or less than the institution's definition of equipment, whichever is less. A unit is defined as all components required to make the piece of equipment operational. ** SPWA required for expensing instead of depreciating. (FNS 796-2 Rev 4 VIII I 16)	0.00	0.00
d.	Equipment-Rental/Lease Include costs for administrative equipment rental, lease and repair. Submit copies of all leases and repair contracts to MDOE.	0.00	0.00

Step 4

Travel Expenses		Prior Year	New Year
4.	Travel for Program Operations <i>Include costs of transportation, lodging, subsistence and related costs for employees performing Program work, i.e. monitoring and technical assistance visits, travel to conduct Center training and any other program-related activities.</i> ** Requires PA (FNS 796-2 Rev 4 VIII I 39)	0.00	0.00
5.	Travel for Staff Training <i>If PA not obtained with budget approval, a PA request must be submitted at least 30 days prior to travel. Use Off-Line Form, Prior Approval Request form to request PA after the Program Year budget has been approved.</i>		
a.	Travel - IN STATE <i>Include transportation, lodging, subsistence and related costs for staff to attend workshops/training IN STATE. If conference or event is not CACFP-focused, travel costs must be prorated.</i> ** Requires PA (FNS 796-2 Rev 4 VIII I 39)	0.00	0.00
b.	Travel - OUT OF STATE <i>Include transportation, lodging, subsistence and related costs for staff to attend workshops/training OUT OF STATE. If conference or event is not CACFP-focused, travel costs must be prorated.</i> ** Requires PA (FNS 796-2 Rev 4 VIII I 39)	0.00	0.00
Subtotal Travel Expenses		0.00	0.00
Training Expenses		Prior Year	New Year
a.	Training - Center / Participant (NonTravel) <i>Include non-travel costs for conducting Center training/workshops including facility rentals, educational supplies, etc.</i> ** Requires PA (FNS 796-2, Rev 4 VIII I 30)	0.00	0.00
b.	Training - Staff Meetings / Workshops (NonTravel) <i>Include non-travel costs for conducting staff training workshops (educational materials/training supplies). Items costing less than \$500 per year may be grouped together.</i> ** Requires PA	0.00	0.00

Step 5

Section II: Total Expenses		215,870.31	196,317.07
Section III: CACFP Surplus or Deficit		Actual Revenue Prior Fiscal Year	Proposed Budget New Fiscal Year
Section I: CACFP Revenue		Actual Revenue Prior Fiscal Year	Proposed Budget New Fiscal Year
I-A. CACFP Sources of Revenue		Prior Year	New Year
a.	Federal Reimbursement	87,580.03	85,000.00

Anticipated Costs - Anticipated CACFP Reimbursement = Amount of Non-CACFP Funding
 $196,317.07 - 85,000 = 111,317.07$

Step 6

Section I: CACFP Revenue		Actual Revenue Prior Fiscal Year	Proposed Budget New Fiscal Year
I-A. CACFP Sources of Revenue		Prior Year	New Year
a.	Federal Reimbursement	87,580.03	85,000.00
I-B. Non-CACFP Sources of Revenue		Prior Year	New Year
a.	Day Care Fees/Tuition	0.00	0.00
b.	Head Start Grants	0.00	0.00
c.	Fund Raisers	0.00	0.00
d.	Cash / Food Donations	14,121.64	1,200.00
e.	Other (specify)	114,168.64	110,117.07
Describe other sources of non-CACFP Revenue: Contributions: Grants: Rents:			
Section I: Total Revenue		215,870.31	196,317.07

1,200 +
110,117.07
111,317.07

Anticipated Costs - Anticipated CACFP Reimbursement = Amount of Non-CACFP Funding
 $196,317.07 - 85,000 = 111,317.07$

Section II: Total Expenses	215,870.31	196,317.07
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Section III: CACFP Surplus or Deficit

Actual Revenue Prior Fiscal Year	Proposed Budget New Fiscal Year
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Final Check

Section III: CACFP Surplus or Deficit

		Actual Revenue Prior Fiscal Year	Proposed Budget New Fiscal Year
1.	Total CACFP Revenue	215,870.31	196,317.07
2.	Total CACFP Expenses	215,870.31	196,317.07
3.	Surplus or Deficit in CACFP Non-Profit Food Service Account Funds	0.00	0.00

When your budget is complete and correct, there will be no surplus or deficit. You have shown the CACFP State Agency that you have sufficient funding to Administer the CACFP.

Questions

