**POLICY AND PROCEDURES**

Maine Department of Education

Child Nutrition

Child and Adult Care Food Program

**Procedures for the Annual CACFP DCH Sponsor Budget Form**

**Program:** CACFP **Date Reviewed/Revised:** 5/8/2025 **Approved by:**

**BACKGROUND & PURPOSE:**

This document provides step-by-step instructions on completing the Annual CACFP Sponsor Budget Form and other Maine CACFP templates that may be required to be submitted as part of the budgeting process. Complete each section that applies to your organization. Provide explanations for all budget items that require additional information.

Please note that supporting documentation is required for all budgeted line items funded with CACFP dollars. See [“**CACFP Budget Supporting Docs Guidance**”](https://www.maine.gov/doe/schools/nutrition/cacfp/resources) for more information.

**PROCEDURE:**

**Schedule A**

CACFP Income & Non-Program Food Service Account Income

Sponsor Information

Enter Sponsor Name, Agreement Number, Date, Revision, and Number of CACFP Daycare Home Providers

1a. Projected CACFP Income

Enter the number of sponsored daycare home providers, 1-50, in the first row below. If a sponsor has more than 50 providers, those additional providers should be noted in the second row. Example: Sponsor ABC Daycare has 65 daycare home providers (see Sponsor Information Above). Row one will show the initial 50 providers, and row two will show the remaining 15. The spreadsheet will automatically calculate the annual administrative reimbursement rate for each category.

1b. Prior Year CACFP Surplus

Per FNS Instruction 796-2 Rev 4, all participating institutions must operate a nonprofit food service principally for the benefit of enrolled participants. All program reimbursement funds must be used solely for allowable CACFP purposes. Any surplus of funds must be retained and used only to maintain, expand, or improve the CACFP. Complete this section if you have excess CACFP funds as of the end of the previous Federal fiscal year (9/30).

Note: Do not enter a CACFP deficit - a CACFP deficit cannot be carried forward into the following year.

* To answer the question: *Does this institution have a surplus balance of CACFP funds as of 9/30 of the previous year?* Click on the highlighted box and select from the drop-down options.
  + If yes, complete the table below as follows:
* Enter the amount of the CACFP surplus as of 9/30 of the previous fiscal year in the Amount Column
* Enter an explanation or any clarifying information in the Sponsor Explanation Column if additional information is required
* The Section Total box at the bottom of the table will automatically populate

1. ​Non-Program Funds Used to Meet CACFP Requirements

If CACFP expenses exceed the reimbursement, non-Program funds must be listed in this section.

Non-program funds include, but are not limited to, all other sources of income used to meet CACFP requirements, such as tuition and parent fees, special grant funds, Head Start funds, cash donations, etc.

* + To answer the question: *Does this institution have “Other”non-CACFP funds to meet CACFP requirements?* Click on the highlighted box and select from the drop-down options.
    - If yes, complete the table below as follows:
  + Enter the source of funds to be used in the Non-CACFP Funding Source Column
  + Enter the amount of funds dedicated to CACFP program costs in the Annual Amount Column
  + Enter an explanation or any clarifying information in the Sponsor Explanation Column if additional information is required
  + Repeat these instructions for all additional funds used in the food service program
  + The Section Total box at the bottom of the table will automatically populate

## If the answer to question 2 is no and CACFP expenses exceed CACFP reimbursements, Maine CACFP will not be able to approve the budget.

Schedule A Total Income

This box will automatically populate with the values entered above. The total income will be included at the bottom of the box.

# Schedule C

Administrative Costs for CACFP

Administrative costs are the costs incurred in planning, organizing, and managing food service labor and supplies, monitoring labor, mileage, travel, and training.

1. ​Labor costs- Employees with CACFP Administrative Duties

Labor costs include compensation for administrative labor needed for planning, organizing, and managing the food service operation, completing CACFP application materials, compiling daily records to complete monthly consolidated reimbursement claims, staff training, preparing monthly reimbursement claims, and monitoring.

Records that must be maintained include payroll and job descriptions for all positions with CACFP duties.

* + Enter the Position or Title of the employees in the Position/Title Column
  + Enter the number of employees in the listed position in the Number of Personnel in Position Column
  + Enter the number of months the position has CACFP duties in the CACFP Program Months Column
  + Enter the amount the employee is paid per hour in the Hourly Wage Column
  + There are two sub columns under the Avg. Hours per Month\* Column
    - Enter the total number of hours worked per month in the Total Column,
    - Enter the total number of hours worked per month completing CACFP administrative and monitoring duties in the CACFP Administrative Duties and Monitoring Column
  + There are two sub columns under the Avg. Benefits Paid per Month
    - Enter the dollar amount of benefits paid to the position in the Sponsor Column
    - The benefits paid to the position in the by CACFP Column will automatically populate
    - Example: If total benefits paid to a position, e.g. monitor, is $100 and there are two monitors –

Enter $100 – the formula will multiply benefits by the number of personnel in the position.

* + There are two sub columns under the Total Cost to CACFP Column
    - Do not enter information in either sub-column
  + Both the Monthly and Annual Columns will automatically populate
  + The Section Total box at the bottom of the table will automatically populate
  + Enter detailed description of the CACFP administrative duties performed by each employee in the Specific CACFP Job Duties Column
  + Repeat these instructions for all positions that are paid with CACFP funds

1. Contracted Services

Contracted services include all costs associated with a contract. Examples include accounting services, payroll services, administrative equipment rental or maintenance, independent contractors, and similar services. Contracted service costs require specific prior written approval from the State Agency. Copies of contracts must be provided.

* + Enter the type of contracted service under the Contracted Service Column
  + Enter the name of the provider of the contracted service under the Provider Column
  + Enter the total monthly cost for the contracted service under the Monthly Cost Column
  + Enter the number of CACFP months the contracted service is used under the CACFP Program Months Column
  + The Annual Cost Column will automatically populate
  + Enter the percentage of the contracted service cost that can be allocated to CACFP in the % Allocated to CACFP Column
  + The Total Cost to CACFP Column will automatically populate
  + Enter an explanation or any clarifying information in the Sponsor Explanation Column if additional information is required
  + Repeat these instructions for all Contracted Services paid with CACFP funds
  + The Section Total box at the bottom of the table will automatically populate

1. Other Administrative Costs

Other administrative costs could include printing, postage, photocopies, administrative supplies, monitoring transportation costs, training and/or travel costs, indirect costs, etc. Costs for these services require prior approval or specific prior written approval from the State Agency, depending on the type and nature of the services to be purchased. Itemized receipts, invoices, and other records must be kept to document these costs.

Indirect costs- Agencies charging indirect costs to CACFP will add applicable information in subsection (a), Miscellaneous Office Expenses. Under the Description column, place “Indirect Costs”. Under the Provider column, place the name of the organization. Under the Sponsor Explanation column, indicate the indirect cost rate used. For example, “Using de minimis indirect cost rate of 15%” or “Using federally negotiated indirect cost rate of 17.5%”. Reminder- Agencies choosing to charge indirect costs to CACFP must upload their current Indirect Rate letter on the application checklist tab, off-line forms section, item 39.

1. Miscellaneous Office Expenses:

This includes administrative supplies with a useful life of one year or less that are generally consumed in use. For example, general office supplies (pens, pencils, notepads), computer supplies, copier supplies (paper, toner), and printer supplies (ink cartridges, paper). It would also include miscellaneous costs associated with printing, postage, and photocopies.

* + Enter a description of the cost under the Description Column
  + Enter the name of the provider under the Provider Column
  + Enter the total monthly cost under the Monthly Cost Column
  + Enter the number of months the cost will be incurred under the CACFP Program in the Months Column
  + The Annual Cost Column will automatically populate
  + Enter the percentage of the cost that can be allocated to CACFP in the % Allocated to CACFP Column
  + The Total Cost to CACFP Column will automatically populate
  + Enter an explanation or any clarifying information in the Sponsor Explanation Column if additional information is required
  + Repeat these instructions for all Other Administrative Costs paid with CACFP funds
  + The Section Total box at the bottom of the table will automatically populate

1. Annual Mileage, Lodging, and Meals for Monitoring and Other Administrative Support:

This includes CACFP administrative travel expenses funded with CACFP funds. Examples include travel related to CACFP monitoring, technical assistance visits, and on-site center training. NOTE: Travel to Maine CACFP training should be included under the operating tab.

Mileage logs must be maintained per FNS 796-2 Rev.4 VIII I 39(c)

* + Click on the box associated with the Sponsor Certification Statement
    - Select from the drop-down options.

Begin with determining the Institution’s approved mileage reimbursement rate. If it differs from the

federal rate, enter it in the Mileage Reimbursement Rate box. If it is the same as the federal rate:

* + Enter the position or title of the person who will be incurring the mileage under the Position/Title

Column

* + Enter the estimated miles to be driven in the Total Miles Column
  + The Mileage Reimbursement Column will automatically populate
  + Enter the number of months the cost will be incurred under the Number of Months Column
  + The Monthly Total Cost to CACFP and Annual Cost to CACFP Columns will automatically populate
  + Enter an explanation or any clarifying information in the Sponsor Explanation Column if additional information is required
  + Repeat these instructions for all staff who will be incurring monitoring mileage costs
  + The Section Total box at the bottom of the table will automatically populate

1. Conference Travel/Training costs:

Projected annual CACFP expenses incurred for attendance of any employee listed in the administrative labor section at any CACFP workshops, conferences, trainings, and meetings.

When CACFP is only a portion of a larger child and adult care-related agenda, specific prior written approval is required for the allocated share of travel and registration fees.

* + In the Conference/Class Column, click on the highlighted box and select from the drop-down options
    - If other is selected, a detailed sponsor explanation will be required
  + Enter the date of arrival at the conference
  + Enter the date of departure from the conference
  + Enter the number of nights of lodging
  + Enter the Registration fee
  + Enter Airfare costs
  + Enter the Total Lodging cost of the conference
  + Enter the cost of meals
  + The Cost to CACFP per Employee Column will automatically populate
  + Enter the number of employees who will be attending the conference
  + Enter the total miles to be driven
  + Enter the Car Rental cost
  + The Total Cost to CACFP Column will automatically populate
  + Provide a detailed explanation in the Sponsor Explanation Column

1. Facility and Utilities Cost

CACFP funds can pay a percentage of administrative facility costs. These costs can include rent or lease expenses, utilities not included in rent or lease agreements, and other related expenses. Copies of lease or rental agreements must be submitted with the budget. **Note that this section allocates administrative facility expenses only; facility expenses related to the food service operation should be listed on the operation tab. For example, this section would be used by a sponsoring organization of centers that rent office space to operate CACFP.**

An institution may not claim a rental fee for space when it owns the building in its budget for CACFP reimbursement; however, it may be able to claim depreciation. An institution cannot claim the same space's depreciation and lease fee. The cost of an owned building can be depreciated using 30-year straight-line depreciation or the depreciation method used and accepted for reporting to the IRS. The acquisition cost upon which depreciation is based must exclude the land cost. A copy of the depreciation schedule used must be provided for owned buildings.

Costs associated with less-than-arms-length lease arrangements are limited to depreciation only and require specific prior written approval. The [“Less than arm’s length rental” template](https://www.maine.gov/doe/schools/nutrition/cacfp/resources) must also be completed. Documentation must be provided that supports the property acquisition cost, value of land used for the less-than-arm's-length rental calculation, and justification for the square footage used.

1. Percent of Facility Expenses Allocable to CACFP through Administration
   * Enter the number of weeks per year the center is active in CACFP in the How many Weeks Per Year is the center active in CACFP? Column. (If more than one site uses an average for all sites.)
   * Enter the number of hours per week the center is open in the How many Hours Per Week is the center open? Column. (If more than one site uses an average for all sites.
   * Enter the square footage of the center used for CACFP in the Center(s) Column. (If more than one site uses an average for all sites.)
   * Enter the square footage of the office used for CACFP in the Office Column. (If more than one site uses an average for all sites.)
   * Enter the hours per week the office square footage is used in the Hours per Week Used for CACFP Food Service Column.
   * Enter the square footage of any other area that is used for CACFP in the Other\* Column.
2. Facility Costs
   * In the Type Column, click on the highlighted box and select from the drop-down options
     + Depreciation may be used by institutions that own their building(s)
     + Rental/Lease can be used by institutions that do not own their building(s)
     + Less than arm’s length transactions are limited to depreciation – see the calculation on less than

arm’s length rental template

* + Enter the name of the lessor/owner of the property in the Lessor Column
  + Enter the monthly cost in the Monthly Cost Column
  + The Annual Cost Column will automatically populate
  + The % Allocated to CACFP Column will automatically populate
  + The Total Cost to CACFP Column will automatically populate
  + Indicate if utilities or other items are included in the lease. If utilities/other items are included in the lease DO NOT include them in 13(c).
  + Enter an explanation or any clarifying information in the Sponsor Explanation Column if additional information is required
  + Repeat these instructions for all Facility Costs paid with CACFP funds
  + The Section Total Box will automatically populate

1. Utilities

Utilities such as electricity, office phone system, internet, etc. which are not included in the office lease or rental agreement are allowed with State agencies prior approval. If the utilities are shared with another Program, the costs will be allocated as applicable.

* + For each Utility type, Enter the name of the company providing the service in the Company Column
  + For each Utility type, Enter the total monthly cost in the Monthly Cost Column
  + For each Utility type, the following columns will automatically populate:
    - The Annual Cost Column
    - The % Allocated to CACFP Column
    - The Total Cost to CACFP Column
  + Enter an explanation or any clarifying information in the Sponsor Explanation Column if additional information is required
  + The Section Total Box will automatically populate

Schedule C Total Cost to CACFP

This box will automatically populate with the values entered above. The bottom of the box will include the Total Administrative Costs to CACFP.

# Summary

Annual CACFP Budget Summary

The Sponsor Name, Agreement Number, Date, Number of Sites, % of Income Spent on Food, Admin Costs Paid with CACFP funds, Maximum CACFP Allowable for Admin, and CACFP Funded Admin% fields will automatically populate.

**REQUIRED - Indicate with a YES which of the CACFP expenses will be directly funded with the CACFP reimbursement that is earned or NO if the expenses will not be funded with CACFP reimbursement.**

The remaining information in the budget summary table is automatically populated and compiles all data entered in the previous sections.

# Other Budget-Related Templates

The below may be required for submission along with the budget, but are separate templates outside the Annual CACFP Budget Form.

[Specific Prior Written Approval](https://www.maine.gov/doe/schools/nutrition/cacfp/resources)

Include any items for which you are requesting specific prior written approval. See tab “Costs Req Specific Approval” for a listing of costs requiring additional approvals. This listing is taken directly from FNS Instruction 796-2, Exhibit I.

* + Enter the Line-Item Number Associated with the Request
  + Enter a Description of the Request
  + Provide an Explanation of the Request
  + Click on the box associated with the Sponsor Acknowledgement Statement
  + Select from the drop-down options Disclosures

Disclosures of Related Party Transactions and/or Less than arm’s length Transactions

Include any items that require disclosure. Sponsors must disclose any related-party or less-than-arms-length expenditures, including contracts, agreements, leases, and transactions. Additionally, any ownership interests in equipment, supplies, or facilities must be disclosed. **Failure to disclose the required information will result in the disallowance of the cost. It may subject the institution, its principals, employees, and others to the administrative and legal recourse available to Maine CACFP and FNS.**

* + Enter the Line-Item Number associated with the Disclosure
  + Enter a Description of the Disclosure
  + Provide an Explanation of the Disclosure
  + Click on the box associated with the Sponsor Acknowledgement Statement
    - Select from the drop-down options

Note: Complete "Less Than Arm’s Length Rental" template if you have a facility less than arm’s length

rental expense in your CACFP budget

[“Less than arm’s length rental” Calculation](https://www.maine.gov/doe/schools/nutrition/cacfp/resources)

Costs associated with less-than-arms-length facility lease arrangements are limited to depreciation only and require specific prior written approval. Allowable space and facilities lease costs are limited to the amount that results from applying 30-year life expectancy to the property’s acquisition cost less the value of land.

Calculation of Annual Depreciation

* Enter the acquisition cost of the property
* Enter the value of the land
* Depreciable Value and Annual Depreciation will automatically calculate

Documentation supporting the property acquisition cost, the value of the land and the use, and justification for the square footage used must be provided.

Allocation of Facility Cost to CACFP

* + Enter the number of weeks per year the center is active in CACFP in the *How many WEEKS PER YEAR is the center active in CACFP?* Column (If more than one site uses an average for all sites)
  + Enter the number of hours per week the center is open in the *How many HOURS PER WEEK is the center open?* Column (If more than one site uses an average for all sites)
  + Enter the square footage of the center's use for CACFP in the *Center(s)* Column. (If more than one site uses an average for all sites)
  + Enter the square footage of the kitchen used for CACFP in the *Kitchen(s)* Column. (If more than one site uses an average for all sites)
  + Enter the hours per week the kitchen square footage is used in the *Hours per Week Used for CACFP Food Service* Column
  + Enter the square footage of the food storage area that is used for CACFP in the *Food Storage(s)*

Column. (If more than one site uses an average for all sites.)

* + Enter the hours per week the food storage area is used in the *Hours per Week Used for CACFP Food Service* Column.
  + Enter the square footage of any other area that is used for CACFP in the *Other\** Column. Use this column for administrative office space that is being allocated to CACFP.
* Enter the hours per week the other area is used in the *Hours per Week Used for CACFP Food Service*

Column

* If other areas are used, please complete the *Describe ‘Other’ section. In the box, please include the area 's name and how it’s used for the CACFP operation*.
* The *Percent of Facility Expenses Allocable to CACFP* box will automatically populate

The percentage of Facility Expenses Allocable to CACFP and Annual Depreciation Expenses Allocable to CACFP will automatically populate.

**REFERENCES:**

Maine CACFP Annual CACFP Budget Guidance, FNS Instruction 796-2 Rev. 4: Financial Management - Child and Adult Care Food Program