



CACFP Budget Supporting Documentation Guidance

Program: CACFP	Date Reviewed/Revised:	Approved by:
--------------------------	-------------------------------	---------------------

BACKGROUND & PURPOSE:

Maine CACFP has established application procedures to determine the eligibility of new Institutions, renewing Institutions, and Sponsoring Organization facility applications. As part of the application process, new and renewing sponsoring organizations of centers are required to submit a budget with sufficiently detailed information concerning projected Child and Adult Care Food Program (CACFP) reimbursements and expenses, as well as other non-Program funds to be used to meet CACFP requirements; for the State agency to determine the allowability, necessity, and reasonableness of all proposed expenditures, and to assess the institution’s capability to manage Program funds[CFR 226.6(2)(f)(1)(iv)]. All expenses must be necessary, reasonable and allowable per FNS Instruction 796-2, Revision 4.

This document provides an overview of the supporting documentation required to be submitted with the CACFP budget. This document is not a comprehensive instructional guide, sponsors should review this document in combination with the Maine CACFP Annual CACFP Budget Guidance, Maine CACFP Procedures for the Annual CACFP Sponsors Budget Form, and the Application Process for the Child and Adult Care Food Program for detailed, complete instructions and guidance.

Guidance on supporting documentation for the CACFP budget by line item is provided in the remainder of this document.

PROCEDURE:

Each year a sponsoring organization must submit a CACFP budget which reflects anticipated revenue and expenditures for operating the CACFP in the upcoming fiscal year. An independent organization must submit a CACFP budget every three years (aligned with CACFP program review cycle) or sooner if there have been significant changes. Examples of significant changes include changes in operation (ex: switch from vended meals to self operation or vice versa), adding/removing sites, adding line items that have not been previously approved and material changes to the amounts budgeted.

The CACFP budget must be prepared on the Maine CACFP Budget Form template provided by Maine CACFP. Submissions will not be accepted on alternative or prior year versions of the budget template. The completed budget must be attached to the “CACFP Budget” checklist item of the application. Additionally, all supporting documentation must be uploaded directly to the applicable checklist item within CNPweb.

Supporting documentation must be submitted with every line item included in the budget and is required

to be attached for each line item within CNPweb.

The expectation is that there will be fluctuations in the annual CACFP budget and that the amounts for budgeted line items will vary year over year. As such, the same budget as the previous fiscal year cannot be submitted for the current fiscal year. It is recommended to use the prior fiscal year as a base and adjust the line items up or down based on changes in factors that impact reimbursement and the budgeted line items.

Lastly, as a reminder, supporting documentation is not required for items where it is indicated on the D-Summary tab that the expense will not be funded with CACFP reimbursement.

REFERENCES:

Part 226 – Child and Adult Care Food Program 7 CFR 226

FNS Instruction 796-2 Rev. 4: Financial Management - Child and Adult Care Food Program

Maine CACFP Annual CACFP Budget Guidance

Maine CACFP Procedures for the Annual CACFP Sponsors Budget Form

Budget Category	Supporting Documents Required	Checklist Item (where to upload)	Comment
A- Income Tab Projected CACFP Income	<ul style="list-style-type: none"> • Estimated Annual Food Program Reimbursement Worksheet 	Reimbursement Calculator	In previous years this tool was optional but is now <i>required</i> for all budget submissions beginning FY22 and moving forward.
B- Operating Tab Purchased Food Cost	<ul style="list-style-type: none"> • Methodology for food cost projection* 	Food Cost Justification	*There is no template for providing methodology for food cost projection. Examples of acceptable methodology descriptions may include: for a vended meals contract, it would be reasonable to calculate the annual amount based on expected # of meals to be served (breakfast, lunch, snack etc.), contracted price, and days of service. For in house prepared meals it would be reasonable to use the prior year amount as an estimate and adjust based on anticipated changes in meal service.
B- Operating Tab Equipment – Under \$5,000	<ul style="list-style-type: none"> • Equipment inventory list for all CACFP-funded equipment with a useful life of more than one year • Allocation plan* 	Small Equipment Inventory/Allocation Plan	*An allocation plan should include the rationale for how a Sponsor determined the percentage of the equipment cost that can be charged to the CACFP. This applies only to equipment that is shared among programs and cannot be 100% charged to the CACFP.
B- Operating Tab Equipment – Over \$5,000	<ul style="list-style-type: none"> • Equipment inventory list for all CACFP-funded equipment with a useful life of more than one year • Allocation plan* • Depreciation schedule** 	Capital Equipment Inventory, Allocation Plan & Depreciation Schedule	*An allocation plan should include the rationale for how a Sponsor determined the percentage of the equipment cost that can be charged to the CACFP. This applies only to equipment that is shared among programs and cannot be 100% charged to the CACFP. **Documentation for determining annual depreciation or depreciation schedule if not using straight line depreciation. Specific prior written approval is required if not using the straight line method
B- Operating Tab Nonfood Supplies	<ul style="list-style-type: none"> • Methodology for nonfood supply projection** • Allocation plan* 	Non-Food Supply Justification/Allocation Plan	*An allocation plan which describes the rationale for how nonfood supplies are charged to the CACFP is required any time that there is a change to the approved allocation percentage on

			<p>file with Maine CACFP.</p> <p>**There is no template for providing methodology for nonfood supply projection. It would be reasonable to use prior year as a base and adjust up/down based on anticipated changes.</p>
B- Operating Tab Labor	<ul style="list-style-type: none"> • Job descriptions* 	Job Descriptions for Food Service & Administrative	<p>*Job descriptions are required for all positions supported with CACFP funds. The job descriptions must include all responsibilities, CACFP and non-CACFP. If the position was included in a previously approved budget and there is an increase in the CACFP allocated percentage, it must be supported by additional CACFP duties reflected in the position's job description. The total labor amount charged to CACFP should be reasonable in comparison to prior year and should not materially increase unless a justified new position was added or new CACFP duties were added.</p>
B- Operating Tab Contracted Services	<ul style="list-style-type: none"> • Current year contract • Allocation plan* 	Contracted Services Agreement/Allocation Plan	<p>*An allocation plan should include the rationale for how a Sponsor determined the percentage of the contract cost that can be charged to the CACFP. This applies only to contracts where expenses shared among programs and cannot be 100% charged to the CACFP.</p> <p>Most contracted services require specific prior written approval.</p>
B- Operating Tab Other Operational Costs	<ul style="list-style-type: none"> • Calculation that supports other operational cost projection** • Allocation plan* 	Misc Food Service Expense Justification/Allocation Plan	<p>*An allocation plan which describes the rationale for how other operational costs are charged to the CACFP is required any time that there is a change to the approved allocation percentage on file with Maine CACFP.</p> <p>**There is no template for the calculation that supports other operational cost projections.</p>
B- Operating Tab	<ul style="list-style-type: none"> • Rental agreement* 	Copy of Lease/Rental	<p>*Rental agreement is only needed if the rental amount has</p>

Facility	<ul style="list-style-type: none"> • Depreciation schedule** • Less Than Arms-Length Rental Calculation*** 	Agreement & Square Footage Justification	<p>changed from prior year and isn't in the prior year lease document OR if there is a new rental agreement. Note: square footage amount should be consistent with prior year if rental is for the same location.</p> <p>**Depreciation schedule is only required for owned properties with a change in depreciation from prior year</p> <p>***Less than arms-length rentals must submit documentation to support the appropriate cost determination using the Maine CACFP template.</p>
B- Operating Tab Utilities	<ul style="list-style-type: none"> • Calculation supporting how line item was estimated • Invoices used to estimate amounts 	Justification for Utilities	
C- Administrative Tab Labor	<ul style="list-style-type: none"> • Job descriptions* 	Job Descriptions for Food Service & Administrative	<p>* Job descriptions are required for all positions supported with CACFP funds. The job descriptions must include all responsibilities, CACFP and non-CACFP. If the position was included in a previously approved budget and there is an increase in the CACFP allocated percentage, it must be supported by additional CACFP duties reflected in the position's job description. The total labor amount charged to CACFP should be reasonable in comparison to prior year and should not materially increase unless a justified new position was added or new CACFP duties were added.</p>
C- Administrative Tab Contracted Services	<ul style="list-style-type: none"> • Current year contract • Allocation plan* 	Contracted Services Agreement – Administrative/ Allocation Plan	<p>*An allocation plan should include the rational for how a Sponsor determined the percentage of the contract cost that can be charged to the CACFP. This applies only to contracts where expenses shared among programs and cannot be 100% charged to the CACFP.</p>

C- Administrative Tab Other Administrative Costs	<ul style="list-style-type: none"> • Calculation that supports other administrative cost projection** • Allocation plan* 	Other Administrative Costs Justification/Allocation Plan	*An allocation plan which describes the rationale for how other administrative costs are charged to the CACFP is required any time that there is a change to the approved allocation percentage on file with Maine CACFP. ** There is no template for the calculation that supports other administrative cost projections.
C- Administrative Tab Facility	<ul style="list-style-type: none"> • Rental agreement* • Depreciation schedule** • Less Than Arms-Length Rental Calculation*** 	Copy of Rental/Lease Agreement & Square Footage Justification	*Rental agreement is only needed if the rental amount has changed from prior year and isn't in the prior year lease document OR if there is a new rental agreement. Note: square footage amount should be consistent with prior year if rental is for the same location. **Depreciation schedule is only required for owned properties with a change in depreciation from prior year ***Less than arms-length rentals must submit documentation to support the appropriate cost determination using the Maine CACFP template.
C- Administrative Tab Utilities	<ul style="list-style-type: none"> • Calculation supporting how line item was estimated • Invoices used to estimate amounts 	Justification of Utilities	