



Child and Adult Care Food Program (CACFP) Labor Costs and Documentation

Program: CACFP	Date Approved/Revised:	Approved by:
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BACKGROUND & PURPOSE:

Maine Department of Education (DOE) is responsible for monitoring the use of Federal dollars by ensuring Sponsors are using Program funds on only allowable costs for which the Sponsor has received prior approval from Maine CACFP as part of the budgeting process. For any Sponsors using CACFP monies to support labor expenses (operational or administrative), the federally funded portion of the employee’s salary must be equivalent to the actual time and effort the individual spends on duties directly associated with that federal program.

Allowable labor costs for the CACFP may include wages, salaries, employee benefits, and the share of taxes paid by the sponsor. Each element of an individual’s compensation must be reasonable for the services provided by the individual. Operating labor includes time associated with serving meals to eligible participants. Examples of operating labor include menu planning, procurement of food, food preparation, serving meals, supervision of day-to-day food service operations (including supervision during meal service) and clean up after the meal service. Administrative labor includes time associated with planning, organizing, and managing the food service operation. Examples of administrative labor include CACFP recordkeeping, monitoring (CACFP site review), claim review and submission, completing and providing CACFP training, and program oversight.

The purpose of this policy/procedure is to provide participating Child and Adult Care Food Program Sponsors with guidance on the documentation required for labor costs charged to the Program as outlined in the procedure section below.

Sponsors should note that failure to maintain the below documentation may result in a finding and/or disallowance during a program review. Maine CACFP strongly encourages Sponsors to review the procedure below and amend any internal policies or procedures, as necessary.

PROCEDURE:

Documentation Requirements.

- 1. Payroll records**
- 2. Time and attendance reports:** For all labor costs (salaries, wages, and benefits) charged to the Program for hourly or salaried employees for part-time, full-time, or piecework. These reports must

identify the total time actually worked by the employee, not just the time spent on Program activities.

- a. At a minimum, time and attendance reports must include:
 - i. Start time;
 - ii. End time; and
 - iii. Absences.
- b. The report must be prepared timely and coincide with the employee's pay period.
 - i. For employees with fixed start and end times, the time and attendance report must be prepared daily for all periods of absences beyond normal meal and break periods.
 - ii. For employees with variable start and end times, the time and attendance report must be prepared daily. Unless required by the institution, employees with established start and end times are not required to complete daily sign-in and sign-out sheets. At the discretion of Maine CACFP, daily sign-in and sign-out sheets may be required for employees with variable start and end times, unless prohibited by a negotiated labor-management agreement between the institution and its employees.

3. Time distribution reports (Time & Effort): To establish the portion of costs that may be claimed for reimbursement or charged to the institution's nonprofit food service account as Program labor, a daily log or other time distribution method must be used.

- a. These reports must be completed by all employees, both full-time and part-time, and must account for the total activity for which each employee is compensated.
- b. The portion of the labor costs charged to the institution's nonprofit food service account must be allocated based on the hours worked for Program and non-Program activities and within the Program for administrative and operating cost labor.
- c. A separate report for each employee is required.
- d. The reports must reflect an after-the-fact determination of the actual activity of each employee.
- e. Budget estimates and time studies of any kind are not acceptable documentation.
- f. Time should be reported in 15 to 30 minute intervals, but no less than 15 minute intervals.
- g. For proprietary and nonprofit institutions, the reports must be prepared at least monthly and coincide with one or more pay periods. (See: 2 CFR 230, Appendix B, 8(m)(2)(d), for more information on nonprofit reporting requirements).
- h. For public institutions monthly time distribution reports are required for each employee that works on Program and non-Program activities when the employee's compensation is

charged as a direct cost.

- i. For employees who are 100% CACFP and have a fixed allocation between operating and administrative tasks, certifications completed at least semi-annually can be substituted for time distribution reports (time and attendance reports are still required). 100% dedicated CACFP employees must still complete time and distribution reports if the allocation between operating and administrative tasks is not fixed.

In all cases, time and attendance and time distribution reports must be completed by the employee and signed and certified as true and correct by the employee and a responsible supervisory official having firsthand knowledge of the activities performed by the employee during the period covered by the reports.

Maine CACFP has a standard combined time and attendance and time distribution (time and effort) template that Sponsors can use to meet CACFP labor cost documentation requirements. This template can be completed electronically or printed and filled out by hand. While this is a template, and can be modified to meet the Sponsor's needs, all recordkeeping requirements, as outlined above, must be met. Maine CACFP recommends that if a Sponsor modifies this template that the modified version is sent to Maine CACFP for review. Time and attendance forms must be maintained even if you do NOT use Maine CACFP's standard template.

Note: The standard Maine CACFP time distribution template calculates salary/hourly wage cost only. Employee benefits and the employer's share of taxes should be allocated consistently with the salaries/wages for the corresponding pay period.

REFERENCES:

Part 226 – Child and Adult Care Food Program 7 CFR 226
FNS Instruction 796-2, Revision 4 (VIII I 23)