

Costs, Budget and Reimbursement

CACFP Update Training 2018-2019

July/August 2018



MISSISSIPPI
DEPARTMENT OF
EDUCATION

Ensuring a bright *future* for every child

CACFP Staff

601-576-4954

Definitions

- Allowable costs are bona fide obligations of the institution incurred for the actual expenses of operating the Program which are liquidated timely.

Necessary – This cost must be essential to fulfill regulatory requirements for proper and efficient administration of the Program.

Reasonable- The type and amount of cost must not exceed what a prudent person would pay under the same circumstances.

Definitions

- Administrative Costs are expenses incurred by an institution in planning, organizing, and managing CACFP. These costs may include labor for management, fringe benefits, traveling and other necessary to manage and implement the program.
- Operating Costs represent allowable expenses incurred by an institution in serving meals to participant under CACFP

Administrative or Operating Cost

- Salary
- Fringe Benefits
- Food Purchases
- Meal Contract- “Agreement to Furnish Food”
- Supplies/ Office

Administrative or Operating Costs

- Mileage (Meals-Transporting Cost)
- Non-food Supplies
- Printing/Postage/Communication
- Purchase Service- Dishwasher Chemical (Auto-Chlor)
- Kitchen/Dining Room Rental

Administrative or Operating Costs

- Office Space/Rental/Lease
- Nutrition Education Materials
- Submitting Application via MARS

Definitions

- Generally Allowable Costs are customary costs that occur in the routine operation of the CACFP and which are allowed by FNS 796-2 Rev. 4.
- Prior Approval- This phrase is use in FNS 796-2 Rev.4 to identify cost that must be specifically identified by item and amount during the budget submission process to the State Agency.

Definitions

- Specific Prior Written Approval is a phrase that is used in FNS 796-2 Rev.4 to identify costs that are not allowed unless the SA has provided the institution with specific written approval of both the cost and the amount of the cost that can be charged to the CACFP before the cost is incurred.

Generally Allowable, Prior Approval or Specific Prior Written Approval

- Salary
- Fringe Benefits
- Food Purchases
- Meal Contract- “Agreement to Furnish Food”
- Office Supplies- Paper, Ink

Generally Allowable, Prior Approval or Specific Prior Written Approval

- Mileage (Meals-Transporting Cost)
- Non-food Supplies- Paper Cups, Plates
- Printing/Postage/Communication
- Purchase Service- Dishwasher Chemical (Auto-Chlor)
- Kitchen/Dining Room Rental

Definitions

- Allowable costs are bona fide obligations of the institution incurred for the actual expenses of operating the Program which are liquidated timely.

Necessary – This is determine by the nature of the activity.

Reasonable- This is determine by the amount of the cost

Scenario #1

An independent center cooks food from scratch. The old oven is no longer working and is not repairable so the center purchased a new oven to cook meals for the children. However, the oven cost \$3300.00 and the center serves only 15 children.

Necessary/ Reasonable

Scenario 2

ABC Child Care Center serves baked catfish, baked potato, whole wheat rolls, fresh green beans and milk every Friday. When catfish is not in season, ABC CCC pays \$4.90 per pound for fresh catfish.

How to Calculate a Budget

1. Pull the numbers of Free, Reduced and Paid from your most recent claim.
2. How many days will you operate this program year?
3. Current Rates
4. Refer to Attachments 4-6

Budget- For Training Purpose Only

Cash-in Lieu rate has not been released. We will use the rate from 2017-2018, which is \$.2325. However, the rates for breakfast, lunch/supper and snack are current.

Rates for the 2018-2019 Program Year

Child Care Rates – Centers		
Effective Period from July 1, 2018 thru June 30, 2019		
Breakfast	Free	\$ 1.79
	Reduced	1.49
	Paid	.31
Lunch/Supper	Free	\$ 3.31
	Reduced	2.91
	Paid	.31
Snacks	Free	\$.91
	Reduced	.45
	Paid	.08

Questions



Non Discrimination Statement

This institution is an equal opportunity provider.



CACFP Division

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