

Module 2: Organization Eligibility & Updates

New Center Training

PY 2020-2021



CACFP Staff

- 601-576-5000

Module 2 Summary

This module covers some requirements for organizations to operate the CACFP. It will also introduce the VCA standards and cover basic financial management requirements for the program.



Module 2 Objectives

By the end of this class, participants will be able to:

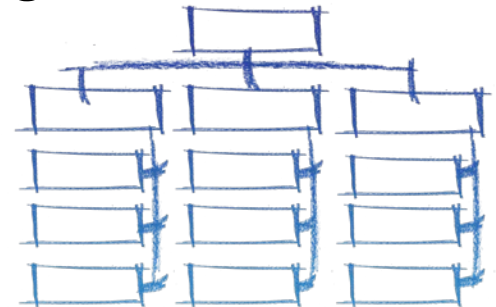
- Recognize the function and structure of the CACFP.
- Recognize key requirements and duties of the CACFP.



Topic 1: Organization Eligibility

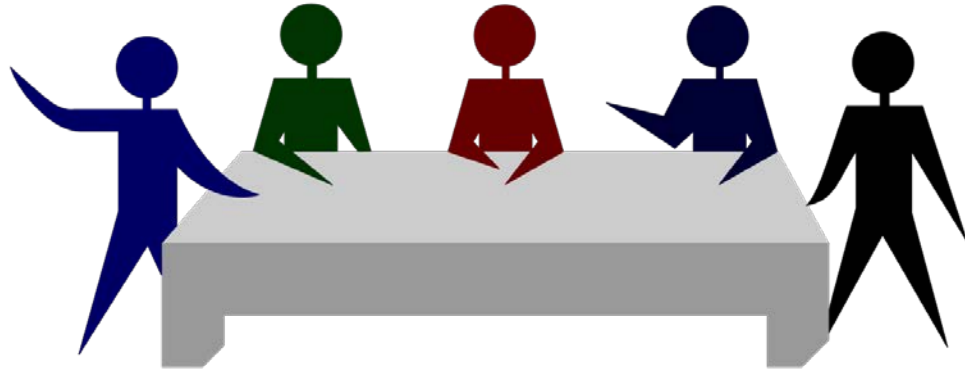
Eligibility Requirements for all organizations:

1. Provide organized nonresidential care
2. Accept final administrative and fiscal responsibility for the program
3. Attend all required State Agency trainings
4. Operate a nonprofit food service



Topic 1: Organization Eligibility

5. Personally manage CACFP operation, i.e., they may not subcontract for the management of the CACFP
6. Provide adequate supervisory and operational oversight to effectively manage and monitor the CACFP operations



Topic 1: Organization Eligibility

7. Sponsors should prohibit their employees from securing additional employment that interferes with their CACFP responsibilities and duties, e.g. scheduling or conflict of interest (Outside Employment Policy).



For Profit Eligibility Requirements

For Profit centers may participate in the CACFP only if they meet the following requirements for the month preceding application:



- For childcare centers at least 25% of enrolled children or licensed capacity (whichever is less) are eligible for free or reduced priced meals.
- For adult centers, at least 25% of enrolled participants receive Title XIX or Title XX benefits.

For Profit Eligibility Requirements

Once a center is approved for CACFP, for-profit centers may not claim for reimbursement during any month that they do not meet 25% but the organization must continue to comply with CACFP requirements.

For-profit organizations must also show that they are in good standing the Secretary of State or have a Privilege Tax License.



Non-Profit Eligibility Requirements

Non-profit organizations in the CACFP must be:

- A public institution (federal, city, county, military); or
- A private, non-profit tax-exempt organization

Private, non-profit organizations must be tax-exempt under 501(c)(3) of the Internal Revenue Service Code and maintain that status throughout their participation in the CACFP.



Non-Profit Eligibility Requirements

Non-profit organizations must also show that they are in good standing with the Secretary of State and the IRS and maintain that good standing.



Site Licensing Requirements

Sites participating in the CACFP, either as an independent center, sponsored site, or provider must meet the following licensing requirements as applicable to their program.

- Sites must keep any applicable license in good standing and provide documentation of any changes in licensing.
- Each childcare site must have a current childcare license through MS Dept of Health. There are exceptions on a case by case basis.



Site Licensing Requirements

Exceptions:

1. Military bases or a tribal reservation can be licensed by the federal government or local tribal authorities in lieu of a license from the Dept of Health.
2. Some organizations may be exempt from licensure. The Dept of Health makes this determination in writing.

EXEMPT

Site Licensing Requirements

Adult Day Care Licensing:

- The institution must provide documentation that each Adult Day Care site has a current certification from the local fire marshal.
- A staff member must complete the Food Safety *Nuts and Bolts* Manual or Tummy Safe or Serve Safe to obtain a Food Service Certificate.



Site Licensing Requirements

Day Care Homes Licensing:

- Providers must be currently licensed or have alternate approval with the Health Dept.
- **Exception:** Providers who are under the sponsorship of a federal entity, e.g., military installations and Indian reservations, are not required to be licensed or registered by state licensing authority. They may be licensed by military or tribal authority.



At-Risk Afterschool Care Program

An organization may be eligible to participate in the at-risk afterschool care center component of the CACFP if it:

- Provides nonresidential childcare to children after school through an approved afterschool care program.



At-Risk Afterschool Care Program

An eligible afterschool program is one that:

- Is organized primarily to provide care for children after school or on weekends, holidays, or school vacations during the regular school year,
- Provides children with regularly scheduled activities in an organized, structured, and supervised environment



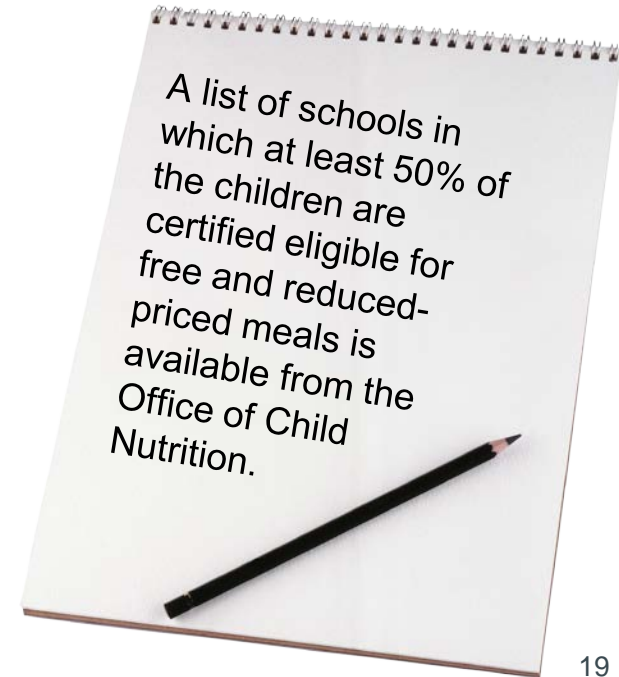
At-Risk Afterschool Care Program

- Includes educational or enrichment activities.
- Is open to all children and does not limit participation or membership on the basis of the child's ability.
- Programs designed to meet the special needs of enrolled children, such as programs for children with learning disabilities or children who are academically gifted, may also be eligible to participate.



At-Risk Afterschool Care Program

- An eligible afterschool program is one that is located in an attendance area of a school in which 50% or more of the children enrolled are eligible for free or reduced-price school meals.
- Determinations of area eligibility are valid for 5 years and not required to be re-determined annually.



At-Risk Afterschool Care Program

An eligible afterschool program is one that:

- Obtains a license or exception/authorization documentation from the MS Dept of Health



Topic 2: VCA

- Organizations must demonstrate throughout their participation in the CACFP that they meet the following performance standards:
- Financial Viability and Financial Management (**V**)
- Administratively Capability (**C**)
- Accountability (**A**)



V	Financial Viability and Financial Management	Shows that the organization has the financial standing and management skills necessary to meet the program requirements. Examples are audits, balance sheets, and bank statements
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C	Administrative Capability	Shows that the organization has the staffing and expertise to meet all the Program's requirements. Examples are organizational charts, Compensation Plans, job descriptions, procedures and policies
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A	Accountability	Shows that the organization has the ability to track and monitor its actions regarding program funds and meal service. Examples are budgets, training, monitoring schedules
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Topic 3: Financial Management

- In order to participate in the CACFP, all organizations must operate a non-profit food service principally for the benefit of the enrolled participants and maintain records documenting the operation of that food service.
- The non-profit food service account funds are **restricted** and can only be used for allowable food service costs. An organization must maintain no more than 3 months of average expenditures in the non-profit food service account. If there is an **excess**, they are directed to spend the funds on preapproved costs.



Administrative Costs and CAP



- Sponsors must ensure that all centers under their sponsorship maintain a non-profit food service. Sponsors in **Child Care** and **Adult Day Care** are allowed to retain up to 15% of the CACFP reimbursements to cover their costs incurred in supporting the operation the non-profit food service in all sites sponsored, i.e. monitoring and training.
- Sponsors of **DCH** providers will receive a separate administrative reimbursement based on the number of providers sponsored.

Budget

All organizations develop and maintain an annual budget listing the operation costs and administrative costs for the food program.

The Budget will:

- Project the amount of revenue in the non-profit food service account and contain the allowable cost items and projected expenses.



Budget Requirements

Budget

- All budgets **MUST** be pre-approved by the State Agency.
- All costs **MUST** be on this budget and approved by the SA before any costs are incurred.
- Documentation **MUST** be maintained on each of these costs.



Financial Guidance

When creating their budget and financial management plan, organizations should consult the most current revision of the FNS Instruction 796-2, Financial Management-Child And Adult Care Food Program. This guidance covers important topics such as:

- Allowable Costs
- Unallowable Costs
- Levels of Approval



Allowable Costs

Allowable Costs

The organizations participating in the CACFP must ensure that their non-profit food service funds are used only for allowable costs that are **reasonable and necessary** for the operation of a non-profit food service.



Reasonable Costs

Reasonable Costs

To help determine if a cost is reasonable, the organization should ask: “Would a sensible, prudent person pay this amount for the same item or service?” If the answer is no, then it may not be a reasonable cost.



Necessary Costs

Necessary Costs

To help determine if a cost is necessary, the organization should ask:

“Is this item or service required for the operation of the CACFP?”

Depending on the item or service the answer may be:

- **Yes**
- **Partially**
- **No**



Is this a CACFP Cost?

Yes. If not for the CACFP this cost would not be incurred.

Partially. The cost would be incurred for normal business purposes, but a portion can be attributed to the CACFP. In this case then the org would need to prorate the cost and determine the amount it can allocate to the non-profit food service account.

No. This cost is not at all due to the CACFP.



Operating costs vs. Administrative Costs

Costs in the non-profit food service fall in to one of two categories: Operating and Administrative costs.

Operating Costs

Allowable expenses used for serving meals to enrolled participants in eligible sites.

Examples:

Food, Labor, and Supplies-pots, pans, forks, napkins, etc.

Administrative Costs

Allowable expenses used for planning, organizing, and managing the non-profit food service

Examples:

Monitoring, Recordkeeping, Planning, Training

Topic 4: What is the CACFP ACQR Report?

- The **Actual Cost Quarterly Report** is a report completed by CACFP organizations to record Costs related to the **Approved Budget** for the applicable program year.
- Transactions are recorded by quarterly total for each **Budgeted Line Item.**
 1. Salary and Wages
 2. Benefits
 3. Food Purchases
 4. Meal Contracts (meal cost)
 5. Mileage (meal transporting cost)
 6. Non-Food Supplies
 7. Printing/Postage/Communications
 8. Purchased Services
 9. Food Service Space
 10. Reimbursement to Unaffiliated Centers (Sponsors Only)
 11. Equipment Purchase over \$500
 12. Other

Who must Complete ACQR Report?

- Required for all **For-profit**, **Non-profit**, and **Public** organizations participating in the Child and Adult Care Food Program.



Tools Needed to Complete the ACQR Report

- Access to **MARS**
- **Actual Cost Quarterly Report**
- **Approved Budget** for the current program year
- **Receipts** and **Invoices** for the applicable months
- **Salary** and **Wage** Documentation for the applicable months
- **Cost Worksheets** for each month in the Quarter

Step 1: Select the CACFP Module

The screenshot displays the user interface for the Child and Adult Care Food Program. At the top, the title "Child and Adult Care Food Program" is centered. To the right is the Mississippi Department of Education logo. Below the title is a navigation bar with links for "Applications", "Claims", "Compliance", "Reports", "My Account", and "Search". A secondary navigation bar includes "Programs", "Year", "Help", and "Log Out". The main content area is titled "Programs" and contains a grid of buttons. The "Child and Adult Care Food Program" button, which is green, is circled in red. Other buttons include "School Nutrition Programs" (blue), "Accounting" (grey), "Maintenance and Configuration" (grey), "Summer Food Service Program" (red), and two unlabelled buttons (purple and yellow).

Step 2: Click on Application

Child and Adult Care Food Program



Applications | Claims | Compliance | Reports | My Account | Search | Programs | Year | Help | Log Out

Your password will expire in 3 days. Please change your password before it expires.



Welcome to the Child and Adult Care Food Program!

Step 3: Click on the ACQR Report

Child and Adult Care Food Program



Applications | Claims | Compliance | Reports | My Account | Search

Programs | Year | Help | Log Out

Applications >

Program Year: 2019 - 2020


Item	Description
Organization Manager	CACFP Organization's Profile, Site and Hold Information
Potential Sponsor	Potential Sponsor
Application Packet - Center	Center Application Forms (Organization and Site)
Application Packet - DCH	DCH Application Forms (Organization and Provider)
Advance Request	Organization's request for Cash Advance(s) for the current year
Advance Requests Manager	Manage requested Advance(s) for the current year
ACQR - Center	Center Actual Cost Quarterly Report
ACQR - DCH	DCH Actual Cost Quarterly Report
ACQR Summary - Center	Center Actual Cost Quarterly Report Status Summary
ACQR Summary - DCH	DCH Actual Cost Quarterly Report Status Summary
Annual Audits	Annual Audits
Annual Audit Status Summary	Annual Audit Status Summary
Download Forms	Forms Available for Downloading

Step 4: Click Add

Action	Quarter	Date Range	Status
Add	1	10/01/2019 - 12/31/2019	Not Started
	2	01/01/2020 - 03/31/2020	Not Available
	3	04/01/2020 - 06/30/2020	Not Available
	4	07/01/2020 - 09/30/2020	Not Available

Step 5: Input Total CACFP Reimbursement Received

Revenues



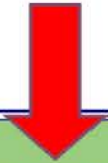
Budget Category	Approved Amended Budget	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year to Date Revenues	Budget Balance	Percentage Budget Earned
Projected Total Annual Revenue	18,500	0	0	0	0	0	18,500	0.00
Total Revenues	18,500	0	0	0	0	0	18,500	0.00

- This total should be obtained from the Claim Year Summary by adding the Earned Amount for each month of the Applicable Quarter.

Claim Month	Adj Number	Claim Status	Date Received	Date Processed	Earned Amount
Oct 2019	0	Processed	11/05/2019	11/06/2019	\$1,384.88
Nov 2019	0	Processed	12/06/2019	12/11/2019	\$1,056.01
Dec 2019	0	Processed	01/03/2020	01/08/2020	\$662.62

Step 6: Enter Operating Expenses by Category

Operating Expenses



Budget Category	Approved Amended Budget	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year to Date Expenditures	Budget Balance	Percentage Budget Expended
Salary and Wages	0	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	0	0	0.00
Benefits	0	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	0	0	0.00
Food Purchases	16,000	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	0	16,000	0.00
Meal Contracts (meal cost)	0	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	0	0	0.00
Mileage (meal transporting cost)	0	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	0	0	0.00
Non-Food Supplies	1,250	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	0	1,250	0.00
Printing/Postage/Communications	0	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	0	0	0.00
Purchased Services	0	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	0	0	0.00
Food Service Space	0	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	0	0	0.00
Reimbursement to Unaffiliated Centers (Sponsors Only)	0	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	0	0	0.00
Equipment Purchase over \$500	0	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	0	0	0.00
Other	0	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	0	0	0.00
Total Operating Expenses	17,250	0	0	0	0	0	17,250	0.00

Step 7: Enter Total Administrative Expenses by Category

Administrative Expenses

Budget Category	Approved Amended Budget	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year to Date Expenditures	Budget Balance	Percentage Budget Expended
Salary and Wages	0	0	0	0	0	0	0	0.00
Benefits	0	0	0	0	0	0	0	0.00
Supplies	0	0	0	0	0	0	0	0.00
Office Materials (Expendable) Supplies	0	0	0	0	0	0	0	0.00
Equipment Purchases	0	0	0	0	0	0	0	0.00
Equipment Rental/Lease	0	0	0	0	0	0	0	0.00
Printing	0	0	0	0	0	0	0	0.00
Office Space/Rental/Lease/Depreciation Use Allowance	0	0	0	0	0	0	0	0.00
Utilities/Facility Maintenance/Janitorial Services	0	0	0	0	0	0	0	0.00
Travel for Program Operations	0	0	0	0	0	0	0	0.00
Center Workshops/Participant Training/Staff Training	0	0	0	0	0	0	0	0.00
Nutrition Education Materials	1,250	0	0	0	0	0	1,250	0.00
Meetings/Conferences	0	0	0	0	0	0	0	0.00
Contracted/Professional Services	0	0	0	0	0	0	0	0.00
Insurance Premiums/Bonding	0	0	0	0	0	0	0	0.00
Memberships/Subscriptions/Professional Activities	0	0	0	0	0	0	0	0.00
Other	0	0	0	0	0	0	0	0.00
Other Administrative Expenditures/Advertising	0	0	0	0	0	0	0	0.00
Total Modified Direct Costs (TMDC)*	0	0	0	0	0	0	0	0.00
Total Administrative Expenses	1,250	0	0	0	0	0	1,250	0.00

Step 8: Certify and Save

Certification

I certify that the information on this form, and supporting documents, is true and correct and that I will immediately report to the State any changes that occur to the information submitted. I understand that this information is being given in connection with receipt of federal funds. The State may verify information; and the deliberate misrepresentation or withholding of information may result in prosecution under applicable state and federal statutes.

Internal Use Only

Status:

Not Started

Date Approved:

Internal Comments:

^
v

Comments to Organization:

^
v

Created By: SQEvans on: 7/9/2020 8:23:10 AM

Save

Cancel

CACFP ACQR Report Due Dates

For PY 2020-2021

1st Quarter

Reporting period: October 1 –
December 31

- **Due Date:**
February 15th

2nd Quarter

Reporting period:
January 1 – March 31

- **Due Date:**
May 15th

3rd Quarter

Reporting period:
April 1 – June 30

- **Due Date:**
August 15th

4th Quarter

Reporting period:
July 1 – September 30

- **Due Date:**
November 15th

Tips for Completing the ACQR Report

REMINDERS:

- Record only **actual** program expenses.
- Record only actual expenses that received **approval** in the Budget.
- Maintain a copy of **all supporting documentation** for your records.



What happens when the ACQR Report is submitted to the State Agency?

- The ACQR report will be reviewed by designated State Agency staff.



Amendments and Changes

- Generally once approved to participate in the CACFP, an organization must update its application documents with the SA as changes occur.
- Examples of changes include a new director, adjusted meal service times, or the closure of a site. Please notify your program specialist as changes occur or create an amendment in MARS.

Adding New Sites or Day Care Home Providers:

When adding new sites or a new day care home provider to an approved application organizations must submit the following documents:

- Facility License, Letter of Exemption, Fire Marshal's Report, and Day Care Home Inspections
- Food Service Permit and/or Food Safety Training



Adding New Sites or Providers

- Privilege Tax License or Documentation of Good Standing with Sec. of State
- Site/Provider Agreement (signed copy)
- Pre-Approval Visit Form for FDCH
- Verification of absence from National Disqualified List



Renewal Process

- Organizations are required to renew their participation in the program each year.
- In addition to the information organizations must provide each year, the organization will be required to submit certain items as part of the renewal.



Renewal Requirements

<https://cnms.mdek12.org/prod/Splash.aspx>

The following items are required for uploading in MARS for renewal:

- Bank statements from the Food Account for the previous program year. SA will accept a General Ledger or an Audit.
- License, Letter of Exemption, Fire Marshal's Report, and FDCH Inspections
- Food Service Certificate (Permit)



Renewal Requirements

- Staffing Pattern
- Board minutes accepting final financial and administrative responsibility for the CACFP for the **new program year**
- Privilege Tax License or Good Standing documentation with the Secretary of State
- Change of Signature Form only if authorized personnel has changed



Renewal Requirements

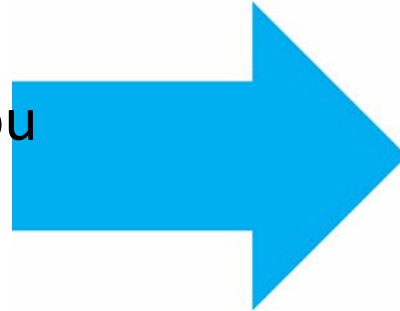
- Agreement to Furnish Food if obtaining meals from an outside source
- Supporting documentation for rental agreement, method of proration, cost allocation-if requesting these items in your budget.



Renewal Requirements for Sponsors

For all **Unaffiliated sponsors**:

- Please submit your Sponsor/Site Agreements for any new sites you are adding at this time.



Returning sites will not need this as the agreements are perpetual.

For **At Risk Sponsors**: In addition to the above items, please submit your exemption letter or an email from the Health Dept if you had changes to your program schedule i.e. times or days of operation.



Renewal Requirements for Adult Day Care Centers

For Adult Day Care organizations: In addition to the previously mentioned items, please submit a current letter or inspection from your local Fire Marshal.



Renewal Requirements for FDCH Sponsors

Family Day Care Homes Sponsors-

In addition to the above items, please submit copies of:

- Money orders
- Request to Inspect for providers who are due for inspections for the months of September and October.
- FDCH provider spreadsheet
- A list of providers who qualify for Tier 1 based on SNAP participation
- Administrative Reimbursement Worksheet



Questions

