



Child and Adult Care Food Program (CACFP)

Certification of Financial Viability and Management for Renewing Independent Centers (ICs)

Per the USDA’s [Guidance for Management Plan and Budget](#), the State agency (SA) has the discretion to not require a budget for renewing independent centers. Starting with the Fiscal Year 2021, the OSSE’s CACFP SA will require its renewing ICs to submit an estimated CACFP reimbursement sheet showing the institution’s projected CACFP income and this certification in lieu of a budget and budget narrative submission.

All participating institutions must operate a nonprofit food service principally for the benefit of enrolled participants and maintain records documenting the operation of that food service. Nonprofit food service includes all food service operations conducted by the institution principally for the benefit of enrolled participants, from which all of the Program reimbursement funds are used solely for the operation or improvement of that food service. Food service account activity must be monitored to determine nonprofit food service status for institutions. Independent centers, sponsors of day care homes and sponsors of centers must meet this requirement. (FNS INSTRUCTION 796-2 REV. 4, IV: MONITORING NONPROFIT FOOD SERVICE STATUS)

Cost Principles – Only allowable costs may be charged to the CACFP non-profit food service account.

In order to be allowable, costs must meet the cost principles at 2 CFR Part 200, Subpart E, including:

Necessary: The cost must represent an activity or function that is generally recognized as reasonable and necessary for the operation of the Program. The 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.

Allocable: The cost must provide an allocable benefit to the Program.

Administrative Costs: expenses incurred by in planning, organizing, and managing the CACFP.

Operational (Food Service) Costs: expenses incurred in serving meals to CACFP participants.

Examples of Allowable Costs (not all-inclusive):

- Food Service & Administrative Labor and Benefits
- Rental/Lease/Utilities for office space
- Office Supplies
- Food / Food Service Management Company contract
- Non-Food Service Supplies (plates, cups, utensils, etc.)
- Kitchen Rental or Rent/Mortgage for kitchen space
- Food Service Equipment

Examples of Unallowable Costs (not all-inclusive):

- Non-creditable foods
- Staff/volunteer meals
- Payment of over claims resulting from Program violations
- Costs not approved by the State Agency
- Non-business communications (personal cell phones, internet services, etc.)

CACFP Expenditure Requirements

Prior Written Approval/Specific Prior Written Approval (SPWA) - Expenditures that require written approval from the State agency of both the cost and the amount of the cost **before** you begin spending CACFP funds to pay for them. Some expenditures also require pre-approval from Food & Nutrition Services Regional Office before you begin spending CACFP funds to pay for them. Please see Exhibit I in the FNS 796-2, rev. 4.

Less than Arms-Length Transaction - is defined as one under which one party to the transaction is able to control or substantially influence the actions of the other party. (e.g., contract with a vendor associated with the organization.)

Excessive Non-Profit Food Service Account Balance - It is highly encouraged to use excess funds to either improve or expand the nonprofit food service for the benefit of Program participants. Excess funds may also be used for any allowable costs related to other Child Nutrition Programs operated by the institution. However, the institution cannot transfer the excess funds to non-Program operations.

By signing this statement, I CERTIFY that I have read and accept responsibility for the Child and Adult Care Food Program financial management operations. I certify that I will request prior approval from the SA before spending CACFP funds on items that require pre-approval. I understand that if I do not disclose these expenditures to the SA, those costs may be disallowed.

Signature (Authorized Representative)

Signature (Official Designee)

Signature (Primary Contact)

Date

Date

Date