



# Financial Management: Back to Basics



This training covers some key financial management topics but will not cover all CACFP financial requirements. At the end of the presentation there are slides that point out where you can find additional information and resources your program can access later.

This training will specifically focus on maintaining receipts and documenting costs on a ledger or other tracking system. It is applicable to all organizations that participate in the CACFP except for Family Daycare Home providers.

# Training Takeaways

1. Acceptable and unacceptable receipts
2. Identify CACFP costs on receipts
3. Track CACFP costs onto a general ledger
4. Payroll documentation for CACFP paid staff
5. Reporting Expenses to DPI



[www](http://www) [Guidance Memorandum #11](#)

Today, we want you to walk away with knowing these important points.

1. What are acceptable and unacceptable receipts to support CACFP expenses,
2. How to identify CACFP costs on receipts
3. How to track CACFP costs from receipts to a general ledger, and
4. Required payroll documentation for CACFP paid staff
5. How to report actual expenses to DPI

All CACFP Financial Management information and resources can be found under Guidance Memorandum 11.

Now, let's go through these points in more detail.

# Acceptable Receipts

## Must be legible and contain:

- **Date of purchase**
- **Itemized**
- **Cost of item**
- **Vendor/Supplier/Store**
- **Method of payment**



| Food Mart           |          |
|---------------------|----------|
| 10/10/20XX          |          |
| Yogurt.....         | 3.46     |
| Yogurt.....         | 3.46     |
| Yogurt.....         | 3.46     |
| Cupcakes.....       | 3.50     |
| Baby Wipes.....     | 2.50     |
| Coffee.....         | 5.50     |
| WG Crackers.....    | 2.99     |
| WW Bread.....       | 1.99     |
| WW Bread.....       | 1.99     |
| Paper Plates.....   | 3.49     |
| Dish soap.....      | 1.49     |
| 1% Milk.....        | 2.59     |
| 1% Milk.....        | 2.59     |
| Cookies.....        | 3.84     |
| Cookies.....        | 3.84     |
| Toaster Pastry..... | 3.99     |
| Total.....          | \$50.68  |
| Debit card XXXXXX   | Approved |
| Thank you!          |          |

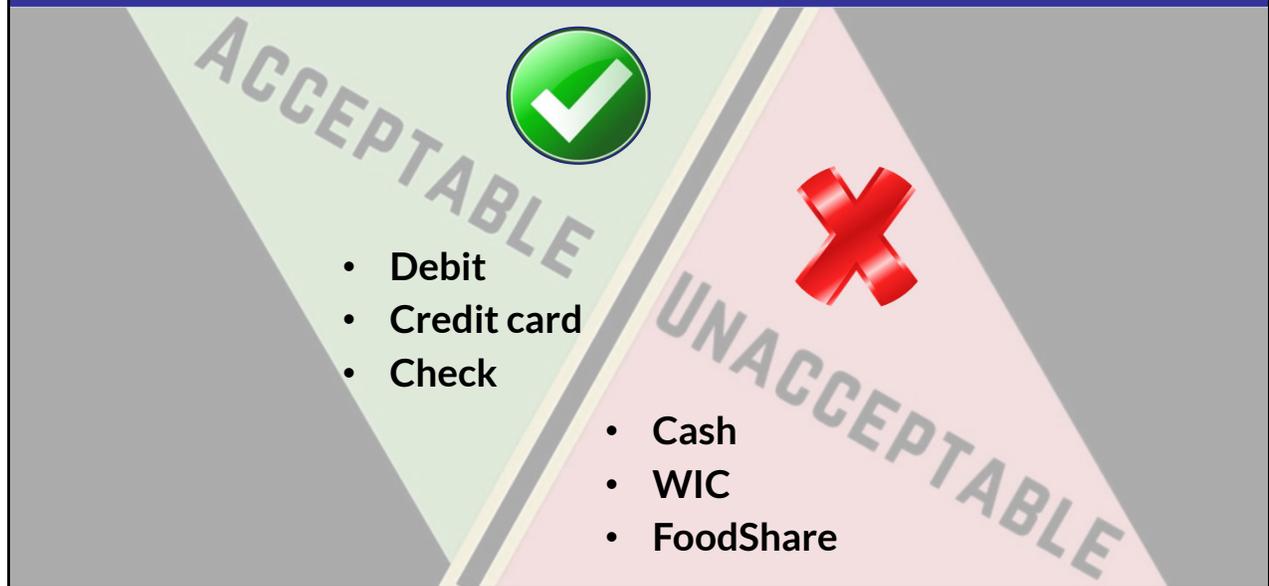
Your agency must maintain receipts and invoices for CACFP food and non-food expenses. Keep receipts on file in an organized manner and in a location accessible to DPI staff. Even if you have an outside accountant, who you send your receipts too, be sure you retain a copy of any documentation you send to your accountant so it accessible to DPI staff.

Now let's talk about what an acceptable receipt is.

Receipts or invoices must be legible and contain the following:

- Date of purchase
- Itemized list of all items
- Cost of Item
- Name of Vendor/Supplier/Store in which these items were purchased and
- Method of payment used

# Methods of Payment



Also, you must make CACFP purchases with an acceptable method of payment

Acceptable methods of payment are:

- Debit card assigned to the business checking account
- Credit card that is in the business name
- Check made payable to a store, vendor, or employee from the business checking account

Unacceptable methods of payment are:

- Cash. Only the use of a petty cash account is acceptable, which should retain less than \$100 and be reconciled monthly.
- It is also unacceptable to use WIC or FoodShare benefits. Individuals who purchase food and supplies in this manner will be reported to the WIC or FoodShare administering agency for improper use.



## Unacceptable Receipt

- **No date of purchase**
- **No store/vendor listed**
- **No method of payment**

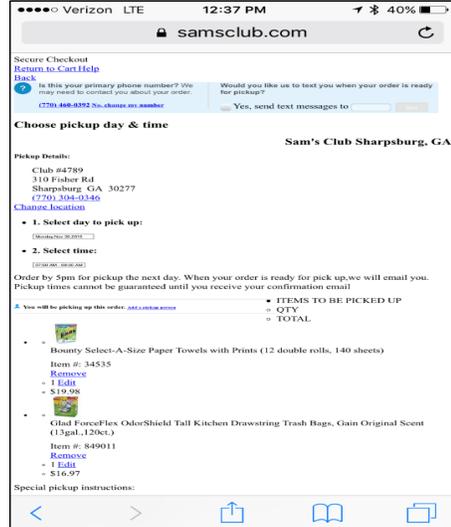
|                      |  |              |
|----------------------|--|--------------|
| Cabbage Local per LB |  |              |
| 5.34 lb @ 0.89/ lb   |  | 4.75 1       |
| Potato Mix RW per LB |  |              |
| 1.61 lb @ 1.59/ lb   |  | 2.56 1       |
| Mushrooms Shitake /  |  |              |
| 0.27 lb @ 5.49/ lb   |  | 1.48 1       |
| Hunter Bacon /LB Bel |  |              |
| 0.48 lb @ 5.99/ lb   |  | 2.88 1       |
| Shanghai Choy per LB |  |              |
| 2.15 lb @ 1.99/ lb   |  | 4.28 1       |
| Shanghai Choy per LB |  |              |
| 0.92 lb @ 1.99/ lb   |  | 1.83 1       |
| <b>BALANCE DUE</b>   |  | <b>18.22</b> |

This receipt is an example of an unacceptable receipt for the CACFP.

The receipt does not contain a date of purchase; the name of the store/vendor where items were purchased; or the method of payment.

# Unacceptable Receipt

- Online order form, not receipt
- Does not show actual items or amount charged



Verizon LTE 12:37 PM 40%

samsclub.com

Secure Checkout  
[Return to Cart/Help](#)

Back

Is this your primary phone number? (We may need to contact you about your order.)  
(770) 468-0392 No, change my number

Would you like us to text you when your order is ready for pickup?  
Yes, send text messages to: \_\_\_\_\_

Choose pickup day & time

Sam's Club Sharpsburg, GA

Pickup Details:  
Club #4789  
310 Fisher Rd  
Sharpsburg, GA 30277  
(770) 394-0346  
[Change Location](#)

- 1. Select day to pick up:  
[DATE PICKER]
- 2. Select time:  
[TIME PICKER]

Order by 5pm for pickup the next day. When your order is ready for pickup, we will email you. Pickup times cannot be guaranteed until you receive your confirmation email!

You will be picking up this order. [See cart items](#)

-  Bounty Select-A-Size Paper Towels with Prints (12 double rolls, 140 sheets)  
Item #: 34535  
Remove  
+ 1 Edit  
+ \$ 19.98
-  Glad ForceFlex OdorShield Tall Kitchen Drawstring Trash Bags, Gain Original Scent (13gal., 12pk.)  
Item #: 849011  
Remove  
+ 1 Edit  
+ \$ 16.97

Special pickup instructions:

< >   

ITEMS TO BE PICKED UP  
QTY  
TOTAL

Here is an example of another type of unacceptable receipt.

It is becoming more common, especially within the last few years, to do online ordering. The picture on the slide is of an online order form for food supplies. This is not a receipt. The receipt would be the electronic or paper receipt you receive AFTER pick up which shows the actual items purchased (not ordered) and the amount charged.

Sometimes what you ordered is not what you picked up due to substitutions made by the store or out of stock items that were not received.



## Allowable CACFP Expenses



### Food Costs:

- Creditable foods
- Meals from vendor
- Condiments
- Spices
- Ingredients in CACFP meals



### Non-Food/Kitchen Supplies:

- Paper goods
- Cleaning supplies
- Kitchen utensils
- Dishes

Now that you know what an acceptable receipt must include, let's discuss the next step of identifying costs into different categories. To do that, let's briefly discuss different costs on receipts.

The following expenses are allowable CACFP costs, and you may use your CACFP reimbursement to pay for these items:

- CACFP Food Costs include creditable foods, the purchase of meals from a vendor, condiments, spices, and ingredients used in CACFP meals.
- CACFP Non-Food/ Kitchen Supplies include items primarily used for CACFP food service such as paper goods, cleaning supplies, kitchen utensils, and dishes
- Also, if you use a food supplier such as Sysco or US Foods, the delivery charge is an ALLOWABLE cost. Same if you use a food delivery service, such as Instacart, the delivery fee and tip (if reasonable) are also allowable CACFP costs only if all items purchased are for the CACFP.



## Unallowable Non-CACFP Expenses

- Personal items or center supplies
- Non-creditable foods (i.e., coffee, ice cream, grain-based desserts)
- Food purchased for use outside of a CACFP meal
- Meals served to adults not working with CACFP
- Tax charged if nonprofit

Cannot be paid with  
CACFP funds

There also may be costs on receipts that are unallowable Non-CACFP costs, including:

- Personal items or center supplies
- Non-creditable foods such as coffee, ice cream, or grain-based desserts
- Food purchased for use outside of a CACFP meal, such as for a party, open house, or staff meeting
- Meals served to adults not working with the operation of the CACFP
- Tax charged if you are a nonprofit agency

These items cannot be paid with CACFP reimbursement. Other program income must pay for these costs.

# Identify CACFP Costs

Total Each Cost

|                                 |         |
|---------------------------------|---------|
| Food = \$22.53                  |         |
| Non-food = \$4.98               |         |
| Unallowable (UA) = \$23.17      |         |
| Food Mart                       |         |
| 10/10/20XX                      |         |
| Yogurt.....                     | 3.46    |
| Yogurt.....                     | 3.46    |
| Yogurt.....                     | 3.46    |
| Cupcakes.....                   | 3.50 UA |
| Baby Wipes.....                 | 2.50 UA |
| Coffee.....                     | 5.50 UA |
| WG Crackers.....                | 2.99    |
| WW Bread .....                  | 1.99    |
| WW Bread.....                   | 1.99    |
| Paper Plates.....               | 3.49 NF |
| Dish soap.....                  | 1.49 NF |
| 1% Milk.....                    | 2.59    |
| 1% Milk.....                    | 2.59    |
| Cookies.....                    | 3.84 UA |
| Cookies.....                    | 3.84 UA |
| Toaster Pastry.....             | 3.99 UA |
| Total.....                      | \$50.68 |
| Debit card XXXXXX      Approved |         |
| Thank you!                      |         |

Identify/Notate:

- ✓ CACFP Food
- ✓ Kitchen Supplies
- ✓ Non-CACFP Expenses

If receipts include CACFP food, non-food/kitchen supplies, and/or other non-CACFP costs, you must identify these items on the receipts and invoices.

For example, F= food, NF = non-food/kitchen supply, and UA = Unallowable cost. If most of the items on a receipt are food costs, you do not need to identify those items with an F but do need to identify other items with an NF and/or UA. See the receipt on the slide as an example.

The next step is to add up each type of cost category (Food, Non-Food, Unallowable) and record the totals on the receipt or invoice.

One suggestion to make this process easier is to run multiple transactions and pay for each group separately or subtotal after each group of items.

For example, place all CACFP food items first and subtotal, then Kitchen Supplies and subtotal, and then any non-CACFP items. This way, you can see the subtotals on the receipt, and you do not have to mark them on the receipt and total up the categories.



# General Ledger

| Date  | Method of Payment<br>(Check, CC, Cash) | Name<br>(Payee on Check) | Total Amount of Receipt | Food  | Nonfood/<br>Kitchen Supplies | Label |
|-------|--|--------------------------|-------------------------|-------|------------------------------|-------|
| 10/10 | Debit                                  | Food Mart                | 50.68                   | 22.53 | 4.98                         |       |

|                                   |                |
|-----------------------------------|----------------|
| <b>Food = \$22.53</b>             |                |
| <b>Non-food = \$4.98</b>          |                |
| <b>Unallowable (UA) = \$23.17</b> |                |
| <b>Food Mart</b>                  |                |
| <b>10/10/20XX</b>                 |                |
| Yogurt.....                       | 3.46           |
| Yogurt.....                       | 3.46           |
| Yogurt.....                       | 3.46           |
| Cupcakes.....                     | 3.50 UA        |
| Baby Wipes.....                   | 2.50 UA        |
| Coffee.....                       | 5.50 UA        |
| WG Crackers.....                  | 2.99           |
| WW Bread.....                     | 1.99           |
| WW Bread.....                     | 1.99           |
| Paper Plates.....                 | 3.49 NF        |
| Dish soap.....                    | 1.49 NF        |
| 1% Milk.....                      | 2.59           |
| 1% Milk.....                      | 2.59           |
| Cookies.....                      | 3.84 UA        |
| Cookies.....                      | 3.84 UA        |
| Toaster Pastry.....               | 3.99 UA        |
| <b>Total.....</b>                 | <b>\$50.68</b> |

Debit card XXXXXX      Approved  
Thank you!

Let's go through an example of tracking food program costs on the CACFP General Ledger. The costs on this receipt are food and non-food. This is what you will track on the general ledger.

First, record the date of purchase, method of payment, and payee.

In the Total Amount of Receipt column, record the total amount of the receipt. In this example, the total amount of the receipt is \$50.68.

In the Food column, record the total food costs. In this example, the total food cost is \$22.53

In the Nonfood/Kitchen Supplies column, record the total nonfood/kitchen supply costs. In this example, the total nonfood cost is \$4.98

As you enter receipts in the CACFP General Ledger it will add up your monthly food program expenses and will provide a summary to use when completing the CACFP financial report(s).

# Payroll Documentation for CACFP Staff

## 100% CACFP Staff

- Payroll records



## Not 100% CACFP

- Payroll records
- Daily time sheet

| CACFP Daily Time Log           |         |          |             |                        |          |                   |
|--------------------------------|---------|----------|-------------|------------------------|----------|-------------------|
| Agency Name: ABC Day Care      |         |          |             |                        |          |                   |
| Employee Name: Sisco Francisco |         |          |             |                        |          |                   |
| Position: Director/Cook        |         |          |             | Month/Year: April 2020 |          |                   |
| A                              | B       | C        | D           | E                      | F        | G                 |
| CACFP HOURS                    |         |          |             | CACFP AMOUNT           |          | CACFP Job Code(s) |
| Date                           | Time In | Time Out | TOTAL hours | Rate of Pay            | \$       | From List Above   |
| 4/2                            | 8:00 AM | 2:00 PM  | 6           | 15.00                  | \$90.00  | 1, 2, 3, A, C     |
| 4/5                            | 4:00 PM | 6:00 PM  | 2           | 15.00                  | \$30.00  | D                 |
| 4/15                           | 5:00AM  | 1:00 PM  | 8           | 15.00                  | \$120.00 | 2                 |
|                                |         |          |             |                        | \$0.00   |                   |
|                                |         |          |             |                        | \$0.00   |                   |
|                                |         |          |             |                        | \$0.00   |                   |
|                                |         |          |             |                        | \$240.00 |                   |

\*Number in Red Box is the maximum amount that can be charged to CACFP for this employee for the month. Record this number on your General Ledger form for tracking monthly CACFP expenses. These reports, along with your payroll records, will support the number that you report on Line #10 on the Annual CACFP Financial Report.

In addition to retaining documentation that supports the CACFP food and kitchen supplies, documentation must be on file for staff paid with CACFP funds.

For employees who only perform CACFP tasks (ex. cooks, food service employees), payroll records showing how much the employee was paid must be on file.

For employees who are NOT 100% CACFP (ex. cook who also helps in the classroom), payroll records must be on file as well as daily time sheets showing the employee's time spent on CACFP tasks. The Daily Time Log (shown on the slide) may be used; it is found under GM 11.

## Reporting Costs: Budget

- Part of Application/Contract
- Can be Amended
- Projection of Upcoming Program Year



At the beginning of each Program year you are required to submit a budget, which is part of the application process.

The budget is a **PROJECTION** of expenses incurred in the **UPCOMING YEAR**.

## Reporting Costs: Budget

- **Projection of Income:**
  - [CACFP Reimbursement Calculator](#)
  - Other program income (i.e. tuition)
- **Projection of Expenses**
  - CACFP Costs: Food, Kitchen Supplies, food service labor



When completing your contract your agency is required to:

- Project your anticipated CACFP reimbursement -
  - Use the *REIMBURSEMENT PROJECTION WORKSHEET* found under (GM#2)
- Project your CACFP Expenditures.
  1. What costs does your center directly incur as a result of serving meals to eligible participants;
  2. Of these costs, which costs are **ACTUALLY** paid with CACFP funds.

# Reporting Costs: Financial Report

- **Actual Report of Past Program Period**
- **Documentation Support Reported Numbers**
- **Due dates:**



Independent → October 1 – September 30 due November  
Sponsoring Organization → Quarterly

Reporting Period

1<sup>st</sup> Quarter (October 1 - December 31)  
2<sup>nd</sup> Quarter (January 1 - March 31)  
3<sup>rd</sup> Quarter (April 1 - June 30)  
4<sup>th</sup> Quarter (July 1 - September 30)

Due Date

March 1<sup>st</sup>  
June 1<sup>st</sup>  
September 1<sup>st</sup>  
December 1<sup>st</sup>

Reporting of ACTUAL costs is required in the CACFP. For **INDEPENDENT** agencies that is done **ANNUALLY**. For **SPONSORING ORGANIZATIONS** it is done **QUARTERLY**.

# Reporting Costs: Financial Report

- **ACTUAL Income:**

- CACFP Reimbursement (automatic)
- Other program income (i.e., tuition)

- **ACTUAL Expenses**

- CACFP Costs: Food, Kitchen Supplies, food service labor, etc.
- Must have been approved in Contract Budget



Report actual costs that are supported with documentation throughout the course of the reporting period.

These costs must be actual, supported with documentation, and the line items must have received prior approval in the CACFP budget.

These reports will be reviewed for accuracy and documentation during your program review. All documentation to support the figures on this report must be retained for 3 years plus the current year (4 years).

**Resources**

**GM 11: Financial Management**

**Independent Agencies**

[How to Submit the Annual CACFP Financial Report](#)

- [Annual Financial Report \(paper form\)](#)

[General Ledger for Independent Centers](#)

[Daily Time Log for Independent Centers](#)

**Sponsoring Organizations**

[How to Submit the Quarterly CACFP Financial Report](#)

- [Quarterly Financial Report for Sponsors of Affiliated Sites \(paper form\)](#)
- [Quarterly Financial Report for Sponsors of Unaffiliated Sites \(paper form\)](#)

[General Ledger for Sponsoring Organizations](#)

[Daily Time Log for Sponsoring Organizations](#)

**Financial Management Resources**

[CACFP Training Spotlight: CACFP Costs](#)  
*Includes information on allowable and unallowable costs, and maintaining support documentation and a tracking system*

[USDA Assessing Costs in the CACFP](#)

[CACFP Financial Management Regulations \(796-2, rev. 4\)](#)

[Local Food Purchase Log](#)

[Donated Food Log](#)

[CACFP Appeal Procedure and Request Form](#)

[www](#) [Guidance Memorandum #11](#)

Detailed information and requirements of the items discussed today can be found under Guidance Memo #11.

# E-Learning Course: Financial Management

## CACFP E-Learning Courses



The E-Learning courses below include lessons on CACFP requirements applicable to each type of program. Click on your program below.

[Child Care Centers, Outside of School Hours, Emergency Shelters, and Head Starts](#)

[Adult Day Centers](#)

[At-Risk Afterschool Centers](#)

[Family Day Care Homes](#)

- ≡ [Civil Rights Requirements](#)
- ≡ [CACFP Claims](#)
- ≡ [CACFP Claims - Emergency Shelters](#)
- ≡ [Financial Management](#) 
- ≡ [Annual Financial Report: Independent Centers](#)



[CACFP E-Learning Course](#)

There is also more information in the Financial Management lesson in the CACFP E-Learning Courses. The link to access the E-Learning courses is on this slide.

These slides will be made available to everyone after our training session.



Thank you. If you have any questions, please reach out to your CACFP consultant.