

Financial Management: Maintaining Receipts



Good afternoon everyone and welcome to Tuesday Talks! Today we are going to cover 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.

Today's webinar 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 sponsors and providers.

Webinar 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



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

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**

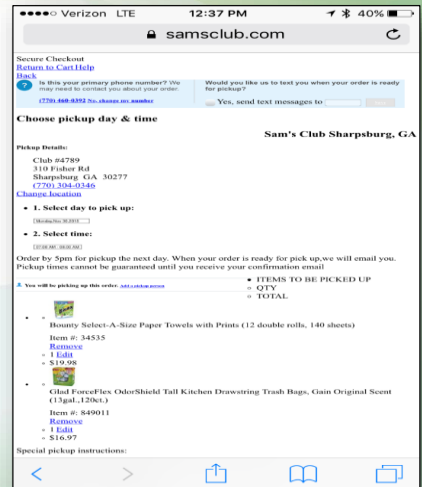
Cabbage Local per LB		
5.34 lb @ 0.89/ lb		4.75 1
Potato Mix RW per LB		
1.61 lb @ 1.59/ lb		2.56 1
Mushrooms Shitake /		
0.27 lb @ 5.49/ lb		1.48 1
Hunter Bacon /LB Be1		
0.48 lb @ 5.99/ lb		2.88 1
Shanghai Choy per LB		
2.15 lb @ 1.99/ lb		4.28 1
Shanghai Choy per LB		
0.92 lb @ 1.99/ lb		1.83 1
BALANCE DUE		18.22

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



Here is an example of another type of unacceptable receipt.

It is becoming more common, especially within the last 12 months, 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.



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.

CACFP General Ledger

Claim Month: October
Program Year: _____
 Monthly CACFP Reimbursement Earned: _____
 Monthly Food Program Expenses: _____
 Amount Needed from Other Funding Source: _____

Directions: Track the monthly food program expenses that are paid with CACFP funds and the CACFP reimbursement that is earned each month. Total each expense column for the month at the bottom. Attach receipts, invoices, cancelled copies of checks, DPI payment confirmations, and any other supporting documentation for each cost payment. Use completed reports to complete the annual Nonprofit Food Service Financial Report (PI-1453) which is due DPI by November 1st.

Date	Method of Payment (Check, CC, Cash)	Name (Payee on Check)	Total Amount of Receipt	Labor & Benefits				Other - Food Program				Specify Other	
				Food	Nonfood/ Kitchen Supplies	Food Service (Kitchen)	Admin.	Contracted Services (Food Vendor)	Kitchen Equipment	CACFP Travel (Admin)	CACFP Travel (Other)		Other Non-CACFP
Monthly CACFP Expenses:			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

Next, agencies must track CACFP costs with an accounting system such as QuickBooks or by using the CACFP General Ledger found under Guidance Memo 11. The CACFP General Ledger is shown on this slide. It tracks expenses by month for the CACFP program year (October – September). There are two versions available under Guidance Memo 11: One for Independent Centers and one for Sponsoring Organizations. If using the CACFP General Ledger, don't forget to download and save it to your computer.

- Whichever General Ledger system you use it must track (at a minimum):
- Date of purchase
 - Method of payment
 - Name of Payee (store or vendor)
 - Total cost spent
 - Total cost separated into Food and Nonfood/Kitchen Supplies

The ledger must always be accessible and kept on file with the source documents, which are the receipts and invoices.

General Ledger

CACFP						Label
Date	Method of Payment (Check, C.C., Cash)	Name (Payee on Check)	Total Amount of Receipt	Food	Nonfood/ Kitchen Supplies	Food Service (Kitchen)
10/10	Debit	Food Mart	50.68	22.53	4.98	

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
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Baby Wipes.....2.50 UA
Coffee.....5.50 UA
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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!

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.

Resources

11: Financial Management [↗](#)

Independent Centers

[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 - FOR ALL AGENCIES:

[Frequent CACFP Costs](#) [↗](#)

[USDA Assessing Costs in the CACFP](#) [↗](#)

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

[Local Food Purchase Log](#) [↗](#)

[Donated Food Log](#) [↗](#)

Other Resources - FOR ALL AGENCIES:

[CACFP Appeal Procedure and Request Form](#) [↗](#)

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

This is the end of the presentation portion of the webinar. For guidance and additional resources to help with your CACFP financial management, go to Guidance Memorandum #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](#)

[www](http://www.cacfp.org) [CACFP E-Learning Course](#)

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

Questions?



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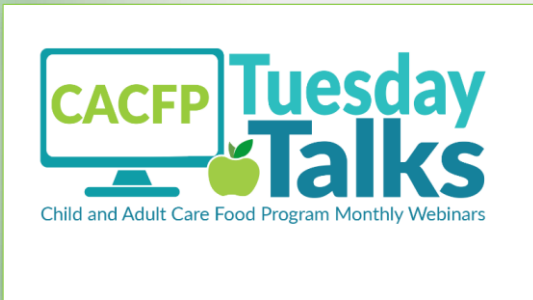
[www](http://www.ConsultantsbyCounty) **Consultants by County**

If you have questions about CACFP financial management, please reach out to me. My email address is on this slide.

You can also reach out to your agency's consultant at the *Consultants by County* link on this slide.

The live webinar included time for questions and to complete a survey. These slides were omitted from this handout. Only individuals who attended the live webinar event are able to complete the survey and receive a Registry Certificate.

Next CACFP Tuesday Talks



**Whole Grain Rich:
Using the Rule of 3
April 27, 2021
2:00 – 2:30 p.m.**

Our next Tuesday Talks is scheduled for April 27th from 2:00 until 2:30 and will be on Identifying Whole Grain Rich Foods Using the Rule of 3. This is applicable to all programs.

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- (1) Mail: U.S. Department of Agriculture
Office of the Assistant Secretary for Civil Rights
1400 Independence Avenue, SW
Washington, D.C. 20250-9410;
- (2) Fax: (202) 690-7442; or
- (3) Email: program.intake@usda.gov

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