

CACFP Tuesday Talks: Financial Management Questions and Answers

Following are questions asked during the CACFP Tuesday Talks: Financial Management webinar.

- 1. What if the nutrition personnel runs out of something, goes to the local store, pays with their own money, and are then reimbursed by the agency, would that be an acceptable method of payment?**

Your agency should have clear written policies and procedures included in your employee handbook on how to handle these situations. If this is allowed, it is strongly recommended that you establish a petty cash fund that has no more than \$100 in it and is reconciled monthly. This fund can then be used to refund the employee for their center-related purchases or the money can be used to get emergency supplies. Remember that running out of food supplies should not be the norm.

- 2. Our vendor charges a delivery fee. Is this an acceptable non-food CACFP cost?**

Yes. The cost of getting CACFP meals from a vendor or food from a supplier, including delivery fees and fuel surcharges, are allowable food costs as it is the cost of getting your supplies. Remember that the cost should be reasonable, and your vendor should disclose this information in the vendor agreement.

- 3. Are payroll taxes for CACFP employees acceptable expenses?**

The employer's portion of federal and state payroll taxes that is paid to an employee who performs CACFP job tasks is an allowable CACFP expense. The cost should be included in the total cost of the wages.

- 4. At times the assistant director and director perform CACFP tasks (ex, when the cook is on vacation, we will cook). Do I need a record of every single time we fill in?**

You only need to keep track of CACFP hours if your hours are paid with CACFP funds. If a director or assistant director are filling in for the day and will not be paid for those hours out of CACFP funds, then you do not need to track those hours separately.

- 5. Is cash acceptable if purchasing from a farmers market?**

Yes, however, CACFP funds can only pay for items used in a creditable meal service. Documentation must be maintained and include items and amounts purchased, total cost, and date. This is your documentation of the expense charged to the CACFP and should be retained along with your receipts.

- 6. Do the totals for food, nonfood or non-CACFP costs need to be at the top of each receipt or is just notating the items ok?**

It is best practice to record the totals of each category on the receipt as part of an agency's financial management process to ensure that CACFP expenses are correctly totaled and recorded on your DPI CACFP Ledger or other tracking system.

- 7. What documentation do I need for donated food supplies since there is no receipt involved?**
If your agency accepts donated foods, you must maintain a monthly donated food log. There is a form available under Guidance Memo 11. Retain this documentation with your receipts.
- 8. What if we do not have all of our receipts but have more than enough to show we spent more money than we receive from CACFP?**
Agencies must retain receipts for **all food purchased** and served in CACFP meals, even when an agency spends more money on food than it receives from CACFP reimbursement. Agencies receive CACFP reimbursement for serving meals that meet CACFP meal pattern requirements (serving all required components and creditable foods). So, while the menu provides a list of foods that are served at meals, receipts are the support documentation showing that the agency purchased all those foods and had them on hand to provide a meal that meets CACFP meal pattern requirements.
- 9. Can I use my current time tracking system to support the hours expensed to CACFP?**
You may use your current time tracking system, as long as the system has a method to track time spent on CACFP (i.e., an employee who performs both CACFP and non-CACFP tasks can specify their CACFP hours within the system). Otherwise, if you do not have a system set up like this you should use the Daily Time Log found under Guidance Memo 11.
- 10. Why can't I use cash to purchase my CACFP expenses?**
The CACFP is a federally funded program which means you must follow all GAAP accounting principles. One of those principles is not operating a cash business. You can utilize cash for emergency expenditures (i.e., ran out of milk) which is known as operating a Petty Cash system. Also, under no circumstances can any of your employees that are paid with CACFP funds be paid in cash.
- 11. Can I just record 10% of my time for doing CACFP admin?**
No. You must document actual hours spent on CACFP labor. You can use the DPI Daily Time Log to track the actual hours spent on the CACFP. This is found under Guidance Memo 11.
- 12. Do I have to write on the receipts? Can I make copies?**
If a receipt includes a combination of CACFP food, nonfood/kitchen supplies, and/or non-CACFP expenses you must identify the different types of expenses on the receipt (i.e., marking F next to foods, NF next to nonfood/kitchen supply items, and UA next to non-CACFP or unallowable items). You can make copies of the receipts, as long as the full receipt is copied and is legible. If you send your receipts to an outside bookkeeper, make sure you make copies of ALL receipts before sending.
- 13. Can I send all my receipts to an outside accountant to track my expenses?**
Yes, but make sure to retain a copy of any CACFP documentation (including receipts and payroll documentation) on site or be able to obtain a copy should you have a review. Further, when sending receipts to an accountant to track expenses, identify CACFP food and nonfood/kitchen supply costs on receipts so your accountant knows how to properly track these expenses.