CACFP Budget Buster

Budget = Living document! It can, and should, be revised throughout the year. For example: staff changes, equipment purchases, and cost increases due to enrollment

Q: What is a budget?

A: A budget is a financial plan for operating a business or business unit. It includes planned expenditures and anticipated resources for the upcoming fiscal year. A budget is a management tool that helps support your vision by planning out your spending in an organized and controlled manner.

Q: Why are budgets required in CACFP?

A: Budgets are required to help State Agencies approve allowable expenses, determine Administrative Capability and Financial Viability.

Q: Are CACFP budgets intended to be for the whole organization?

A: A CACFP budget is not intended to be for the whole organization. It is intended to document your CACFP related costs, and identify additional funding sources. You will have expenses that are CACFP related, but do not have enough reimbursement to cover. CACFP is supplemental to your organization.

All CACFP expenditures should be:

Allowable per USDA and incurred during the current period.

Q: When is an approved allocation formula needed?

A: When the Sponsor wants to charge a portion of utilities (electric, mortgage/rent, trash, etc.) and/or equipment to CACFP.

Q: What is the starting point for the budget?

A: The starting point for the budget is the previous year's reimbursement.

Q: What documentation of funding sources can be provided?

A: Bank statements from fiscal year ended, calculations of anticipated reimbursement, contribution letters/grant awards, line of credit documents.

Q: Does your organization have sufficient revenues and funding to cover the anticipated CACFP expenses?

A: For example, if there were a Government shut down and reimbursements were delayed can you continue to operate CACFP and pay Sponsors (if a Sponsoring Organization)/continue daily operations?

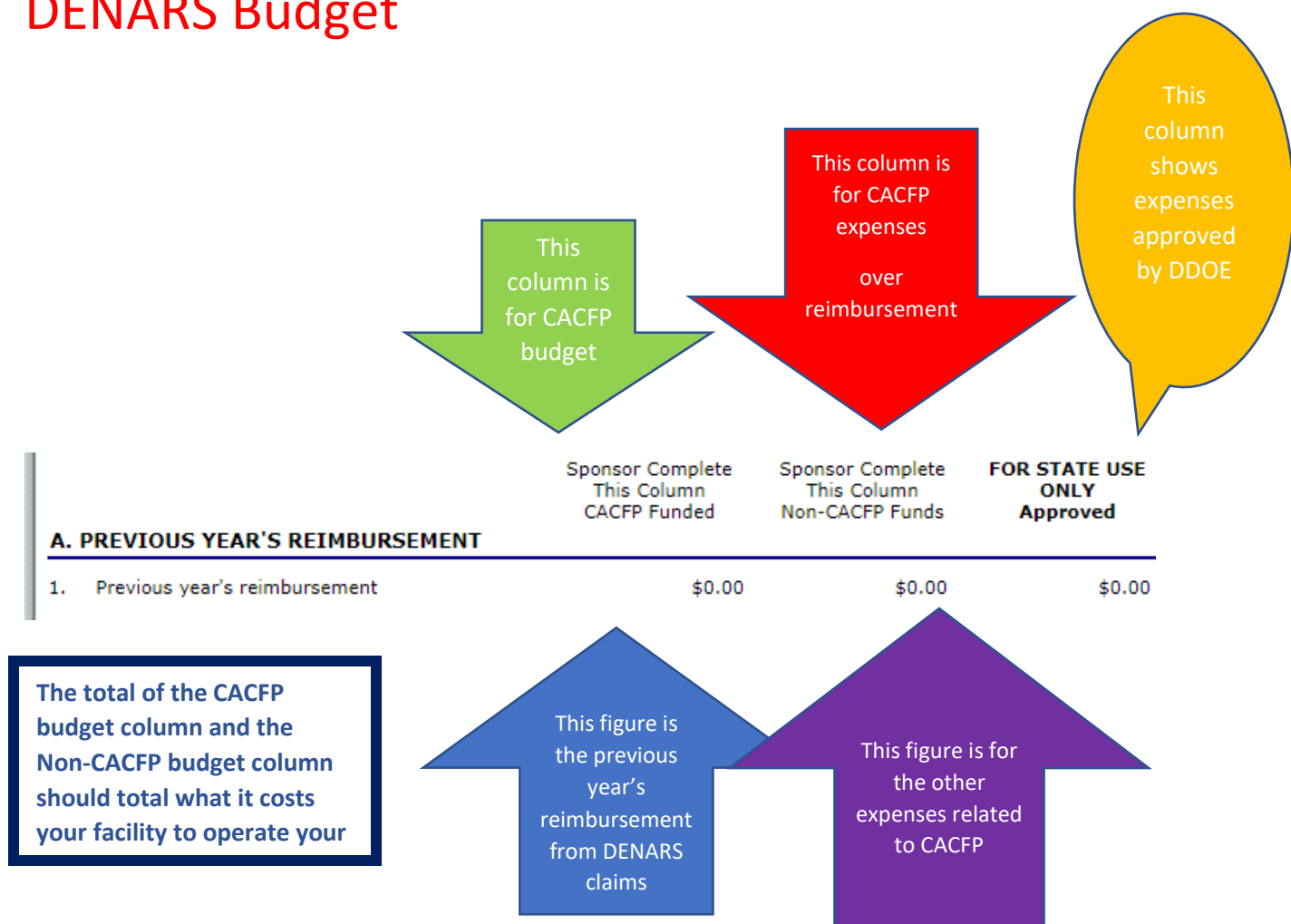**Q: What documentation of expenses can be provided?**

A: Lease agreement, evidence of insurance, prior year payroll data with anticipated raises, bills/invoices for allocated expenses.

Q: What does garbage in/garbage out mean (GIGO)?

A: The accounting system is only as good as the data you put in it. Data must be accurate and valid. Expenses and revenues should be continuously tracked.

Your actual costs at the end of the prior program year can serve as a starting point for next year's budget.

DENARS Budget

This column is for CACFP budget

This column is for CACFP expenses over reimbursement

This column shows expenses approved by DDOE

	Sponsor Complete This Column CACFP Funded	Sponsor Complete This Column Non-CACFP Funds	FOR STATE USE ONLY Approved
A. PREVIOUS YEAR'S REIMBURSEMENT			
1. Previous year's reimbursement	$0.00	$0.00	$0.00

The total of the CACFP budget column and the Non-CACFP budget column should total what it costs your facility to operate your

This figure is the previous year's reimbursement from DENARS claims

This figure is for the other expenses related to CACFP

NOTES:

- The total CACFP budget is made up of Operating Expenses and Administrative Expenses. The grand total of your budget should include both your Operating expenses and Administrative expenses; and not exceed more than ten percent of the previous year's reimbursement. The Sponsor would have to provide an explanation and have it approved by DDOE for the grand total of the budget to exceed the previous year's reimbursement.
- The budget approved in DENARS at the time of an Administrative Review is what the reviewer is comparing your expenses against.

DENARS Budget – Operating Expenses

B. OPERATING EXPENSES

1.	Food (costs for meals/snacks that are self prepared or vended)	$0.00	$0.00	$0.00
2.	Food delivery or transportation of foods (shopping)	$0.00	$0.00	$0.00
3.	Non Food (disposable plates, cups, cleaning supplies, etc)	$0.00	$0.00	$0.00
4.	Food preparation/Labor	$0.00	$0.00	$0.00
5.	Purchase Services (trash removal, etc)	$0.00	$0.00	$0.00
6.	Equipment (rental, lease, purchase, etc)	$0.00	$0.00	$0.00
7.	Other (please specify)	$0.00	$0.00	$0.00
8.	Other (please specify)	$0.00	$0.00	$0.00
9.	Other (please specify)	$0.00	$0.00	$0.00
10.	Do you claim costs that require approval of allocation formula or indirect cost rate?	○ Yes	○ No	
	If Yes, provide justification:			
	Total Operating Expense	$0.00	$0.00	$0.00

If you are including any expenses that require an approved allocation formula (rent/mortgage, electric, propane, etc.), they would be in lines B7 through B9. You would then need to provide a copy of a bill/invoice to explain the total cost of this expense. CACFP will only pay the approved allocation percent and the excess of the expense should be included in the Non-CACFP funds column.

Split your CACFP previous year's reimbursement in the categories you want to charge to CACFP

Any expenses that CACFP does not cover need to be included in this column

Note: If you include expenses in Food Preparation/Labor (B4), a compensation plan should also be completed and included. The figures on the compensation plan should be accurate for each employee included and match the B4 figures in the DENARS budget.

DENARS Budget – Administrative Expenses

C. ADMINISTRATIVE EXPENSES

1.	Part-Time Administrative Personnel	$	$	$0.00
2.	Audit Fees	$	$	$0.00
3.	Fringe Benefits	$	$	$0.00
4.	Monitoring Salaries	$	$	$0.00
5.	Clerical Salaries	$	$	$0.00
6.	Travel/Training	$	$	$0.00
7.	Communications (internet, postage, phone, fax, etc)	$	$	$0.00
8.	General Office Supplies (paper, printing, etc)	$	$	$0.00
9.	Contracted Services (accounting fees, equipment lease, etc)	$	$	$0.00
10.	Other (please specify)	$	$	$0.00
11.	Other (please specify)	$	$	$0.00
12.	Other (please specify)	$	$	$0.00
	Total Administrative Expense	$0.00	$0.00	$0.00

Notes: If you include expenses in Part-Time Administrative Personnel (C1), a compensation plan should also be completed and included. The figures on the compensation plan should be accurate for each employee included and match the C1 figures in the DENARS budget. For example, if the employee makes $15.00 an hour you should reflect this on the compensation plan.

GRAND TOTAL

Grand Total (Total Operating Expense + Total Admin Expense) $0.00 $ $

1. Total Anticipated Annual CACFP Reimbursement $ _____ $ _____ $0.00

Does your organization use a financial system that ensure fiscal accountability as outlined in FNS Instruction 796-2?   ○ Yes   ○ No

A zero in the approved column indicates that this budgeted line-item was rejected by the State. You have the right to appeal. Appeal instructions are on the State website.

TOTAL ADMINISTRATIVE EXPENSES

7 CFR 226.16 (b) (1) For sponsoring organizations of centers, the portion of the administrative costs to be charged to the program may not exceed 15 percent of the meal reimbursements estimated or actually earned during the budget year, unless the state agency grants a waiver in accordance with 226.7(g).

1. Allowed Administrative Costs $0.00   15.00 %
2. Waiver Requested?   ☐

Document Attachments

Actions	Notes	Version	Uploaded By

Add an attachment

Note: The maximum Administrative Expenses cannot exceed 15% of the meal reimbursements.

Resources:
CACFP Federal Regulations:
https://www.fns.usda.gov/part-226%E2%80%94child-and-adult-care-food-program

CACFP Operational Resources & Education Curriculum (CORE):
https://www.core-cacfp.com/

Parts of this document were adapted from the CACFP Operational Resources & Education Curriculum (CORE).

This institution is an equal opportunity provider.