



Nutrition Services

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Budget Guidance Manual ATLAS



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Office of the Assistant Secretary for Civil Rights
1400 Independence Avenue, SW
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Contents

INTRODUCTION 2

BUDGET CHECKLIST 3

NAMING CONVENTION GUIDE 6

BUDGET SUBMISSION REQUIREMENTS 7

ACCOUNTING FOR ALL COSTS OF OPERATION 9

TYPES OF COSTS..... 10

FUNCTIONAL CATEGORIES 11

BUDGET AS A MANAGEMENT TOOL..... 12

COMPLETING THE BUDGET PACKAGE..... 12

BUDGET DEVELOPMENT (Creating a Budget and Financial Management)..... 17

FACTORS THAT AFFECT ALLOWABILITY INCLUDE THAT COST MUST BE: 20

PROCUREMENT PROCESS AND THE BUDGET 24

BUDGET LINE ITEM CATEGORIES: 25

FINALIZING THE BUDGET 44

BUDGET STATUS and NOTIFICATIONS 44

MONTHLY RECORD OF COSTS 45

BUDGET REVISIONS 45

APPENDIX A 47

ITEMS REQUIRING PRIOR APPROVAL, SPECIFIC PRIOR WRITTEN APPROVAL, AND FNSRO APPROVAL
..... 47

APPENDIX B Projected Reimbursement Worksheet 54

APPENDIX C 59

APPENDIX D..... 60

APPENDIX E 62

APPENDIX F 64

APPENDIX G..... 66

APPENDIX H..... 68

INTRODUCTION

The Office of Management and Budget (OMB) 2 Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Award provides government wide framework for grants management which will be complemented by additional efforts to strengthen program outcomes through innovative and effective use of grant making models, performance metrics and evaluation.

The Food and Nutrition Service (FNS) Instruction 796-2 Rev. 4 and 796-4 Rev. 4 are the predominant United States Department of Agriculture (USDA) instructions that must be followed to establish the financial management system required by the Child and Adult Food Program (CACFP), and Summer Food Service Program (SFSP), when instructions are consistent with 2 CFR 200.

Bright from the Start, Georgia Department of Early Care and Learning (DECAL) has provided more specific guidance via this manual, policies, and policy memorandums to increase the reliability of the established financial and grants management system and to reduce the risk of waste, fraud, and abuse. Financial and grants management include, but may not be limited to, budgeting, costing standards, internal control, management of revenues and expenses, management of property, procurement standards, and fiscal audits.

This manual further clarifies the financial requirements that this State Agency requires all institutions to follow to comply with the budget submission, approval process, allocation of costs, and charging program expenditures. This guidance is not all encompassing but is intended to address those areas that sponsors typically find confusing or difficult. 7 CFR 226.7 and 7 CFR 225.7.

If you are unsure of the steps to take for specific situations not addressed in this Budget Guidance Manual or the FNS Instruction 796-2 Rev. 4, and 796-4 Rev.4, 2CFR 200, contact DECAL via email for assistance at NutritionBudget@decals.ga.gov.

Budget Checklist

The budget checklist is designed to highlight the requirements needed to submit a complete budget. Use this as a reference to determine the accuracy of disclosure and documentation of costs intended to be approved for Program meal reimbursement.

Before entering cost in the budget:

1. Determine if costs are shared or 100% Non-Profit food service related.
2. Collect all source documents that support costs.
3. Calculate and document cost by Program (CACFP/SFSP/Other)
 - a. Separate and document cost by function (operating and administrative)
Use the [Allocation Tool Worksheet](#) to prorate shared cost appropriately.

For a complete submission, complete the following:

Institution Application

- Food Service Management Company (FSMC) section:
 - ✓ Question #42- did you answer this as “yes” or “no”
 - If yes, did you complete the linked [form](#) identifying your FSMC operations.
 - ✓ Question #43- did you answer this as “yes” or “no” for either CACFP and/or SFSP?
 - If yes:
 - Did you complete the FSMC agreement form and upload it to the Attachments List?
 - Did you indicate in your Site Application that your meal service is vended?
- *If shared costs are related to be a vendor or FSMC see the financial recordkeeping memo, Reporting and Allocating Program Costs Associated with SFSP Sponsors Serving as Food Vendors and/or FSMC to other SFSP Sponsors- July 6, 2016, for additional instructions.*

Budget Questions and Assertions

- ✓ Answer all 18 questions.
- ✓ Do not skip question #3
- ✓ If you check any categories in question #9, complete and upload the [Related Party Disclosure form](#) and [Specific Prior Written Approval Form](#)
- ✓ Be sure the staff listed in question #10 matches the number of staff listed in the Management Plan
- ✓ If you are requesting mileage reimbursement, be sure you have listed the current year’s federal mileage rate (or less) in question #12
- ✓ If you answer “yes” to question #18, you will be required to provide supporting documentation for your fringe benefit cost request.

Management Plan

- Program Operation: Personnel & Staffing
 - ✓ List all staff that will be operating the program, even if they will not be paid with program funds.
 - ✓ Enter the primary Duty of all staff listed.
 - ✓ Enter the appropriate %CACFP/SFSP allocation for all staff listed.
 - This is the percentage of time each staff member spends performing program specific duties.
 - ✓ Enter the appropriate funding source for all staff listed, even if they will not be paid with program funds.
 - ✓ Enter the appropriate staff/Employee type.
 - Ex: W-2, Contractor 1099, Volunteer etc..
 - Contractors will require you to upload an executed contract agreement.
- Outside Employment Policy

- ✓ Institutions of Affiliated/Unaffiliated Sites must enter their Outside Employment/Conflict Interest Policy.
- Program Operation: Financial Management
 - ✓ Answer all questions in this section based on the institution's operations.
- Program Operation: Monitoring
 - ✓ Confirm the list of monitors (if applicable) match the list of monitors in the Personnel & Staffing section?

Checklist Summary

- Complete and upload the Company Compensation Plan. This should be the plan for the entire organization. It should not be tailored only to CACFP/SFSP.
 - ✓ Use the [Compensation Plan Guidance](#) as a reference tool.
 - Be sure to include the Outside Employment Policy in the plan.

Budget Detail

Before entering costs in this section, be sure to determine the total organizational costs and then determine the percentage of costs that should be allocated to CACFP/SFSP.

- Projected Annual Worksheet
 - ✓ Click the link titled *Anticipated Annual CACFP Reimbursement (Projected Total Meals X Rate Annual Revenue)*
 - Enter the Average Daily Participation (ADP). This amount per meal category should not exceed the total amount of Average Daily Attendance listed in the Site Application for all applicable sites.
 - Enter the Days (of operation) for the program year. If the organization is a first year applying sponsor, they will enter the days on the 1st of the month in which they submitted their application until September 30th of the program year.
 - **Click “close” so entries are saved.**
 - Once both the ADP and Days have been entered, the form will calculate the projected allowable reimbursement amount. The request CACFP costs cannot exceed the reimbursement amount.
- Other Program Revenue
 - ✓ Enter all other non-program funds in **A1 Other Program Revenue**. These should be the same funds that were identified in the Management Plan.
 - **Click “close” so the entry is saved.**
- Total Administrative Expenses
 - ✓ This section will generate approximately 15% of allowable administrative costs based on the projected reimbursement amount. No action is required. However, the administrative costs allocated in the budget cannot exceed the allowable administrative amount.
- Projected Annual Expenses
 - ✓ There are approximately 22 categories to allocate costs. However, the organization should only include costs to the appropriate category that is necessary to conduct operations for the non-profit food program. Refer to the [Budget Guidance Manual](#) for instructions on how costs are categorized.
 - ✓ In each appropriate line item:
 - Enter the Total Annual Cost- this is the total cost for the entire organization's operation.
 - Then, allocate the percentage of costs that should be funded by CACFP/SFSP in the appropriate program column.

- If food program costs are less than 100%, the percentage remaining, should be allocated to the Other Funds Column
- **Click close after each line-item to ensure the new entry saves.**
- ✓ Once all entries have been entered, scroll down to the bottom of the page, and check the certification box.
- ✓ Scroll down again and click on the red button titled “Submit for Approval.”

Attachments List

- For all cost categories where program funds have been requested:
 - ✓ Upload all supporting documentation including any DECAL forms that have been requested. Be sure all documentation has been properly labeled to identify which cost category it belongs to.

NAMING CONVENTION GUIDE

Category Name	Category Label*	FY	Program	Version	Comment - Provide more detail on uploaded document.	Examples on Uploading Naming Convention. The name of the documents loaded resulting from the instruction above appear as	Examples on Comment Section
Pre- Award Costs	B1	FY25	SFSP/CACFP	Original, R1, R2, R3	1) Request to use Excess Funds for SFSP Costs Form 2) Pre-Award cost letter from Decal 3) Small Purchase Documentation Forms 4) Prior year Reconciliation Form 5) Time Report-Administrative Staff form 6) Gas Receipts 7) Hotel Receipts 8) Mileage Report,	See Example Below	See Example Below
Food Cost	B1/B2	FY25	SFSP/CACFP	Original, R1, R2, R4	1) Approved Procurement Contract 2) Agreement to Furnish Food,	See Example Below	See Example Below
Non-Food Supplies	B2/B3	FY25	SFSP/CACFP	Original, R1, R2, R5	1) Spreadsheet of items listed separately	See Example Below	See Example Below
Facilities and Space Cost	B3/B4	FY25	SFSP/CACFP	Original, R1, R2, R6	1) Rental/Lease Agreement 2) Specific Prior Written Approval 3) Depreciation Form	See Example Below	See Example Below
Labor and Benefits Costs	B4/B5	FY25	SFSP/CACFP	Original, R1, R2, R7	1) Related Party Disclosure Form 2) Management Plan,	See Example Below	See Example Below
Contracted Labor Costs	B5/B6	FY25	SFSP/CACFP	Original, R1, R2, R8	1) 1099 Labor Contracts	See Example Below	See Example Below
Equipment Cost	B6/B7	FY25	SFSP/CACFP	Original, R1, R2, R9	1) Small Purchase Documentation 2) Quote 1-3 3) Proof of Purchase 4) Rental/Lease Agreement	See Example Below	See Example Below
Expendable Supplies	B7/B8	FY25	SFSP/CACFP	Original, R1, R2, R10	1) Receipt	See Example Below	See Example Below
Durable Supplies	B8/B9	FY25	SFSP/CACFP	Original, R1, R2, R11	1) Invoices	See Example Below	See Example Below
Cellular Cost	B9/B10	FY25	SFSP/CACFP	Original, R1, R2, R12	1) Invoices of Service,	See Example Below	See Example Below
Communication Costs	B10/B11	FY25	SFSP/CACFP	Original, R1, R2, R13	1) Fax Invoice 2) Phone Invoice 3) Internet Invoice 4) Receipt for Service	See Example Below	See Example Below
Travel Costs and Mileage Reimbursement	B11/B12	FY25	SFSP/CACFP	Original, R1, R2, R14	1) Fuel 2) Mileage 3) Vehicle Rental,	See Example Below	See Example Below
Contracted Cost	B12/B13	FY25	SFSP/CACFP	Original, R1, R2, R15	1) Contract 2) Small Purchase Form 3) Vehicle Rental	See Example Below	See Example Below
Utility and Maintenance/Janitorial Costs	B13/B14	FY25	SFSP/CACFP	Original, R1, R2, R16	1) Copy of Utility Bill in the name of the institution	See Example Below	See Example Below
Other Costs	B14/B15	FY25	SFSP/CACFP	Original, R1, R2, R17	1) Printing Invoice 2) Postage Invoice 3) Insurance Quotes 4) Training Cost	See Example Below	See Example Below
Indirect Cost	B15/B16	FY25	SFSP/CACFP	Original, R1, R2, R18	1) Supporting documentation	See Example Below	See Example Below
*Use the number sequence that corresponds to the numbering sequence from the Budget Detail in your Application Packet.							
Example:							
Facilities and Space Cost	B4	FY25	SFSP/CACFP	Original, R1, R2, R6	Rental/Lease Agreement, Specific Prior Written Approval, Depreciation Form	B10-FY17-CACFP-Original	Depreciation Form

BUDGET SUBMISSION REQUIREMENTS

CACFP Independent Institutions 7 CFR 226.7(g)

An independent institution is required to submit a budget with their initial application so that the State agency can assess whether the institution is financially viable and has adequate financial resources to operate the food service program and can withstand temporary interruptions of CACFP payments and/or fiscal claims against the institution.

Once the initial budget has been approved, independent institutions are required to submit a revised budget if the independent center has previously approved costs that require new document submission annually, projects to incur new costs that require prior approval, specific written prior approval, or to use the meal reimbursements to pay for allowable administrative expenses.

If new supporting documents (i.e., lease agreements for center or office space, equipment rentals supporting procurement documentation, etc.) are required to be submitted in accordance with [FNS Instruction 796-2 Rev. 4](#), 7 CFR 226 (CACFP Regulations), and 2 CFR 200 (which replaces 7 CFR Parts 3015, 3016, and 3019), the independent center must submit a revised budget, and annually thereafter. Please refer to the budget revision section of this manual for a complete list of the budget revision criteria.

The annual administrative budget submitted by an independent center must demonstrate the annual administrative costs paid with CACFP meal reimbursements do not exceed 15 % of the meal reimbursements (estimated or actual) earned during the budget year.

Independent institutions that have no changes to the last approved budget will certify that no changes are necessary on the annual requirement section of the application.

CACFP Sponsors of Affiliated or Unaffiliated Centers

In accordance with 7 CFR 226.6(f) (1) (iv), Sponsoring organizations are required by USDA to submit a budget annually.

Sponsors are required to submit an administrative budget with sufficient detailed information concerning projected CACFP earnings and expenses, as well as other non-Program funds to be used to operate the food service program. DECAL will determine the allowability, necessity, and reasonableness of all proposed expenditures in accordance with the FNS Instruction 796-2 Rev. 4, and the Office of Management and Budget Super Circular 200 (2 CFR 200) effective December 26, 2014, which replaces 7 CFR Parts 3015, 3016, and 3019. The annual budget is also used to assess the sponsoring institution's capability to manage CACFP funds.

The annual budget submitted by a sponsor of affiliated or unaffiliated centers must demonstrate the administrative costs paid with CACFP meal reimbursements do not exceed 15 % of the meal reimbursements estimated or earned during the budget year. A sponsoring organization of centers must include in the administrative budget, all administrative costs necessary to operate the food service program.

After the initial approval, sponsoring organizations must submit a revised budget annually. Also, if supporting documentation (i.e., lease agreements for center or office space, equipment rentals supporting procurement documentation, etc.) have changed, the sponsoring institution must submit a revised budget. Please refer to the budget revision section of this manual for a complete list of the budget revision criteria.

CACFP Day Care Homes (DCH) Sponsors 7 CFR 226.7(g)

DCH Sponsors must submit an administrative budget to DECAL annually.

DCH Sponsors are required to submit an administrative budget with sufficient detailed information concerning projected CACFP administrative earnings and expenses, as well as other non-Program funds to be used to operate the program. DECAL will determine the allowability, necessity, and reasonableness of all proposed expenditures in accordance with FNS Instruction 796-2 Rev. 4, and the Office of Management and Budget Super Circular 200 (2 CFR Part 200), effective December 26, 2014, which replaces 7 CFR Parts 3015, 3016, and 3019. The administrative budget is also used to assess the sponsoring Institution's capability to manage CACFP funds.

After the initial approval, DCH Sponsors must submit a revised budget if the sponsoring organization anticipates incurring new costs that require prior approval and specific written prior approval. Also, if supporting documentation (i.e., lease agreements for center or office space, equipment rentals supporting procurement documentation, etc.) have changed, the sponsoring organization must submit a revised budget. Please refer to the budget revision section of this manual for a complete list of the budget revision criteria.

Summer Food Service Sponsors

Annual Budgets are required for all Sponsors, except School Food Authorities with submission and approval of a waiver. The current SFSP Administrative Guide Booklet and Tool Kit, and FNS Instruction 796-4 Rev. 4 are foundational resources used by the State Agency to establish the financial management system required by Program Regulations. These resources are incorporated as part of Bright from the Start's financial management system and must be followed unless Bright from the Start has set more restrictive or specific guidance via this manual, policies or policy memorandums. Financial management includes, but may not be limited to, budgeting, costing standards, internal control, management of revenues and expenses, management of property, procurement standards, and fiscal audits. This guidance further clarifies the standards that Bright from the Start expects Summer Food Service Program (SFSP) Sponsors to meet to comply with the budget submission and approval process, allocation of costs, and charge of program expenditures. This guidance is not all encompassing but is intended to address those specific situations that sponsors typically find confusing or difficult. If you are unsure of the steps to take for specific situations not addressed in this budget guidance, the current [Application Instruction Handbook-Happy Helpings](#), or [FNS Instructions 796-4 Rev. 4](#), contact the office for technical assistance.

ACCOUNTING FOR ALL COSTS OF OPERATION

Institutions and Sponsors must have a financial management system that ensures that all funds are properly used and expensed in accordance with the FNS Instruction 796-2/796-4 Rev. 4, and the Office of Management and Budget Super Circular 200 (2 CFR Part 200), effective December 26, 2014, which replaces 7 CFR Parts 3015, 3016, and 3019. At a minimum, institutions and sponsors must have an accounting system that is able to separate food service program costs and revenues from other programs costs and revenues. Annual costs related to the administration of all food service programs is the annual amount requested in the Projected Annual Expenses section of ATLAS. Disclosure of cost for the CACFP or SFSP must comply with DECAL SFSP Memo Reporting and Allocating Program Costs Associated with SFSP Serving as Food Vendors and/or FSMC to other SFSP Sponsors – July 6, 2016.

An estimate of expenses can be used when actual costs cannot be obtained. However, in most cases the institution or sponsor will already have the actual amount because of a contractual agreement.

Institutions and sponsors cannot use the meal reimbursement, or administrative earnings for CACFP/SFSP costs that are funded by other sources, or charge CACFP/SFSP for costs incurred for other activities or programs. The organization's financial management system must provide confirmation and assurance that sponsorship level expenditure limits are maintained. The organization must maintain documentation that demonstrates compliance with sponsorship type rules and regulations regarding the use of meal reimbursements.

Accrual Accounting Required on Final Annual Claims

Institutions using cash-based accounting must make all necessary accounting adjustments to report accrued costs and income on the final claim for the fiscal year. CACFP institutions and sponsors must also take appropriate precautions to ensure that accrued costs and income reported on the final claim are not reported again in a future period.

Cash or Accrual Accounting

Independent institutions, affiliated sponsors, and unaffiliated sponsors may maintain accounting records on either:

- 1. An accrual basis**
 - a. recording expenses and income when incurred)
- 2. A cash basis**
 - a. recording expenses and income when paid/received
- 3. A modified accrual basis**
 - a. recording certain expenses and income on a cash basis while recording other costs and expenses on an accrual basis

Eligibility of Costs (Rules for All Costs)

To be allowable, the costs:

- Must represent an actual operating/administrative cost incurred by and in the name of the organization, in the normal course of operating the program;

- Are necessary and reasonable for proper and efficient administration of the program, and are within the guidelines of the Food and Nutrition Service (FNS) Instruction 796-2, Rev. 4, Financial Management or **2 CFR 200**
- Have prior approval or specific prior written approval from DECAL, when applicable; (i.e. related party/less than arms-length transactions)
- Are authorized or not prohibited under state or local laws or regulations;
- Conform to any limitations or exclusions set forth in FNS Instruction 796-2/796-4, Rev. 4, Federal laws, or the governing regulations as to types or amount of cost items;
- Are accorded consistent treatment through the application of generally accepted accounting principles;
- Cannot be assignable or included as a cost to any other federally financed program in either the current or prior period;
- Are the net of all applicable credits;
- Are properly allocated; and
- Are adequately documented.
- Are properly disclosed – (Use the [*Related Party Disclosure Form*](#) to disclose less than arm's length transactions) **upload this form to the Attachments List for the relevant cost categories.**

Related Party Disclosures

Disclosure of less than arm's length transactions must be made when such relationship exist between related parties. A related party is a person, place, or thing related to or closely held by another person, place, or thing. A transaction between the two is considered a less than arm's length transaction. Federal regulations require that related party transactions be disclosed when federal funds are planned for the execution of such transactions. Failure to disclose these relationships inhibits the State agency's ability to make informed decisions regarding the allowability of the costs. Failure to disclose will result in the disallowance of the cost and may subject the institution, its principals, employees, consultants, or others to the administrative and legal remedies available to the State agency and FNS. The **Related Party Disclosure Form (RPDF)** must be used for disclosure.

<http://dec.al.ga.gov/documents/attachments/RelatedPartyDisclosureForm.docx>

TYPES OF COSTS

Generally Allowable Costs FNS 796-2 Rev. 4 VIII D

Generally allowable costs are the customary costs that occur in the routine operation of the CACFP/SFSP, and which are allowed by this Instruction, OMB Super Circular 200, FAR Part 31, Federal regulations, FNS, and State agency policies guidance and instructions. While these costs are generally allowable, an institution must disclose these costs in the operating and administrative budget submitted to DECAL. These costs must also be approved in advance by DECAL through the budget submission process. Approval of the budget results in the approval of the budget line items but is not a guarantee of allowability of any cost or funding of the budget line items. In addition, generally allowable costs, such as food costs, may not require further disclosure per line item. However, there are other generally allowable costs, such as labor costs, that will require full disclosure depending on the cost category.

DECAL may disallow costs that do not meet the necessary requirements. Reasons for disallowance of generally allowable costs are as follows:

- Lack of documentation
- Failure of full disclosure
- Not approved in the budget
- Inappropriate or unacceptable allocation methodologies
- Inconsistent with compensation plan
- Inconsistent with allocation plan

Costs that are deemed disallowed are subject to repayment to DECAL and/or repayment to the institution/sponsor's food service account.

Costs that Require Prior Approval

Costs that require prior approval are costs that must be specifically identified by item and amount during the budget process. When the item and amount are properly disclosed during the budget process, the approval of the budget meets USDA regulatory requirements unless DECAL specifically disallows the cost in writing. A list of prior or specific prior written approval items is listed in Appendix A.

Costs that Require Specific Prior Written Approval

Costs that require specific prior written approval are costs that are not customarily incurred in the routine operation of the CACFP but are sometimes necessary and reasonable for proper and effective CACFP operations. Specific Prior Written Approval items are those expenses that are not allowed unless DECAL has provided the institution with specific written approval by item and amount before the cost is incurred. When the items and amounts are not properly disclosed during the budget process, the approval of the budget will not meet USDA regulatory requirements unless DECAL specifically approved the cost in writing. The institution must complete and submit the Specific Prior Written Approval Form with each applicable budget line in the electronic budget package. A list of prior or specific prior written approval items is listed in Appendix A.

FUNCTIONAL CATEGORIES

1. Operating costs are the expenses incurred by an institution or sponsor in serving meals to participants under the Program and allowed by the State agency financial management system. **(Organizations that are Day Care Home Sponsors only will not have operating costs.)**
2. Administrative costs are incurred by an institution or sponsor for planning, organizing, and managing a food service under the CACFP/SFSP - Child Nutrition Programs allowed by FNS Instructions 796-2 Rev. 4/ 796-4 Rev. 4, respectively.

BUDGET AS A MANAGEMENT TOOL

The budget is a tool for institutions, sponsors, and DECAL to accurately estimate required costs of operating and administering the food service program. The Budget Detail must accurately reflect what is occurring in the institution/sponsoring organization at any given time. Therefore, all institutions and sponsors participating in the CACFP/SFSP are required to monitor the approved budget costs vs. actual costs monthly to ensure the proper approval has been obtained.

As a good management practice, institutions/sponsors should review the budget periodically to ensure that monthly expenditures are aligned with approved costs when reporting on monthly operating and administrative costs throughout the year.

COMPLETING THE BUDGET PACKAGE

Step 1 Complete the Budget Questions and Assertions (Budget Q/A)

Upon initial completion of the Application Packet, the Budget Q/A section is a prerequisite to accessing the Budget Detail section of the Application Packet. The organization is responsible for accuracy of the information represented by the questions and assertion. The organization is responsible for ensuring that the application is updated for changes as they occur. Institutions and Sponsors must at least annually review, update the responses as needed.

Questions 1-6 - Organizations must review all reference materials to assist with budget development, data entry, compliant purchasing activities, and the documentation submitted that relate to projected costs. Organizations are responsible for and must maintain ongoing knowledge of regulations and guidelines impacting the use of meal reimbursements. Organizations must also ensure the application includes current information that supports the current projection of costs. If current information is needed to support current/updated costs, the updates must be made, and current documentation provided.

Question 7 - Organizations must ensure the required documentation is on file and available for review to Support Program Costs.

Question 8 - Make this affirmation only if no related party transactions are projected.

Question 9 – Affirmations to these cost categories trigger the Budget Submission Requirements in the Checklist Summary. The Related Party Disclosure Form (RPDF).

<http://www.decal.ga.gov/documents/attachments/RelatedPartyDisclosureForm.docx>

And for CACFP projected costs, the Specific Prior Written Approval form (CACFP) is required for each cost category selected.

Please complete the form based on form directions and upload it to the relevant named place holder in the Attachments List. To protect the integrity of the information provided to support institution/sponsor costs the organization is strongly encouraged to initiate the upload of all required documentation.

Examples follow of how Budget Submission Requirements are triggered and of how information in this section should cross-reference and confirm information in other application sections.

Organizations with projected costs between related parties in the Labor and Benefits and/or the Contracted Labor cost categories will check the Labor/Benefits box of question #8, complete the Related Party Disclosure Form, upload it to the Attachments List.

Question 10 - Total # of Staff must be provided. The number listed in this question must match the number of staff detailed in the Program Operation: Personnel and Staffing section, of the Management Plan.

Question 11- The organization must affirm its understanding that utility cost must be in the name of the organization. Personal costs are unallowable as Program costs.

Question 12- If the organization is using meal reimbursement for mileage costs the mileage reimbursement rate must be consistent with the details of your company compensation plan and cannot exceed the current year's federal rate. The number of Total Annual Miles should correspond to the total miles traveled and be included in the tax filings of the organization.

The organization will use the % columns in the Budget Detail to segregate and allocate Program miles from other miles. Data entry for question #11 should correspond with the mileage reimbursement portion of costs entered in the Budget Detail Travel Cost and Mileage Reimbursement category.

Question 13 – If answered yes, complete the Equipment Costs form. Upload it to the Attachment list. <http://www.decal.ga.gov/documents/attachments/EquipmentDepreciationRecord.doc>

Question 14 – If answered yes, organizations must ensure that costs are properly allocated by function, that the allocation method used is most logical and that the calculations for operating and administrative costs are accurate.

Question 15 – If answered yes, the organization must upload documentation of the costs along with the Specific Prior Written Approval Form in the Attachment list section. See details in Budget Line-Item Category – Cellular Costs.

Question 16 – If answered yes, the organization must upload documentation of costs along with the Specific Prior Written Approval Form in the Attachment list section. See details in the Budget Line-Item Category- Conference and Meeting

Organizations must consult FNS Instructions 796-2 Rev. 4 and 2CFR 200 for the types of travel expenditures that require specific prior written approval. Organization should only answer yes, if indeed expenditures requiring specific prior written approval are projected to administer the CACFP. If answered yes, upload the supporting documentation, including Specific Prior Written Approval to the Attachments List.

Question 17 – If answered yes, upload the supporting documentation, including Specific Prior Written Approval to the Attachments List.

The questions in the application profiles participating in CACFP only will be numbered differently. Applications with CACFP only will be numbered to question 17. The following items in application profiles with SFSP will continue with question 18.

Question 18 – If answered yes, enter costs in B1 of the Budget Detail, the Pre- Award Costs and complete the form.

<http://www.decal.ga.gov/documents/attachments/PreAwardCostsForm.doc>

Once costs are approved, the approved form is to be uploaded to the Attachments List and emailed to NutritionBudget@decal.ga.gov named Pre-Award Cost Form.

If changes occur that warrant a revision to the Budget Detail, and the revised costs categories have associated documentation submission requirements for budget review and approval, the organization is responsible for providing current documentation supporting the revised costs. Additional Documentation Retention Requirements are addressed at each Budget Line-Item Categories explained later. The organization is strongly encouraged to upload all required documentation in the Attachments List.

Step 2 Complete the Budget Detail, Income Section(s)



Complete the relevant CACFP Meal Reimbursement Worksheets. Additional documentation may be required to justify the increase or decrease in projected reimbursements. Data entered (ADP, Total Operations days, meal types, eligibility and tiered rates) should correspond to site data in approved site applications.

*****Please note that Independent Centers and Sponsors of affiliation and unaffiliated centers, must complete this worksheet using total participants enrolled to determine the correct claiming percentages. Enter the number of participants in the free, reduced, and paid meal category according to the completed Income Eligibility Statements, roster, and attendance sheets.***

To complete offline, use this worksheet.

<http://www.decal.ga.gov/documents/attachments/projectedreimburse.xls>

Sponsors of Affiliated and Unaffiliated Centers and Independent Institutions –Once the total reimbursement is estimated, using the meal reimbursement worksheet, the institution or sponsor will be able to determine the amount of the reimbursement that may be available for administrative costs. The 15% maximum is calculated net of the cash-in-lieu value. The organization is responsible for ensuring that expenditures are properly documented, associated, and matched to the appropriate meal reimbursement and sponsorship type. Administrative expenditures, for administrative and center sponsors, and independent centers, must comply with administrative limitations.

Day Care Homes Sponsors will use its Projected Reimbursement Worksheet to calculate the estimated maximum administrative earnings based on the average number of homes claimed in the prior year. It is important to remember that the budget should be based on actual costs. If actual costs are not available for administrative expenses, an institution can estimate the costs. The organization is responsible for ensuring that expenditures are properly documented, associated, and matched to the appropriate administrative reimbursement.

Summer Food Service Sponsors should review the SFSP Meal Reimbursement section for accuracy. The maximum meal reimbursement is automatically calculated from the site application(s) and displayed in the Budget Detail. The organization is responsible for ensuring that expenditures are properly documented, associated, and matched to the appropriate meal reimbursement and sponsorship type.

Revising the Budget's Estimated Revenue

The projected revenue for the amended budget will be the actual year-to-date reimbursements plus the estimated projected income for the remaining months of the fiscal year. This total represents an annualized figure. The organization is responsible for ensuring that its projections are accurately reflected for the fiscal year.

Day Care Homes Sponsors

The projected revenue for the amended budget will be the year-to-date reimbursements plus the Projected Homes "times" Rate for the remaining months of the fiscal year. The resulting amounts represent the annual projection of revenue. The organization must ensure that revenues and associated costs are reasonably and accurately reflected.

Step 3 Complete the Budget Detail, Expenditure Sections

Input the annual cost for each expenditure item incurred in the nonprofit food service program and that supports the operation of the CACFP and/or SFSP. These are costs likely paid with CACFP/SFSP funds and Other funds. Other Funds should be designated in the Other Program Revenue (A1) section of the Budget Detail. For SFSP sponsors, this information should correspond with the information provided on the paper document, Total Projected Program Income Worksheet.

The **operating budget** represents allowable expenses incurred by an institution related to expenses that are associated with preparation, service, and clean-up of meals. Organizations that are Day Care Home Sponsors only will not have operating costs and should not enter any operating costs.

The **administrative budget** represents allowable expenses incurred by an institution related to planning, organizing, and managing CACFP. § 226.16(b)(1) requires that the administrative budget submitted by a sponsoring organization of centers, and the actual administrative costs of such sponsoring organizations, not exceed 15 percent of the meal reimbursements estimated to be earned by its sponsored centers during the budget year, unless the State agency grants a waiver.

To provide a baseline for CACFP applicants, after entering the Total Annual Cost Amount, only the appropriate portion of CACFP costs are to be represented in the % CACFP column. The portion of Total Annual cost that benefits other Programs-, and activities, or costs- that will be funded with Other Funds, are to be represented in the % Other Funds column. This includes the SFSP portion of Total Annual Costs.

The Total % column will sum the row of percentages and must sum to 100%. If you receive an error, recheck your math in the % CACFP and % Other Funds columns.

During the CACFP renewal and transition period, the representation of CACFP and Other only, will allow for the review and approval of the portion of Total Annual Costs that are CACFP related only.

To save data entry, **USE THE CLOSE FEATURE AT THE FAR RIGHT OF EACH COST CATEGORY.** Otherwise, the data entry will not be saved or display the changes.

For certain cost categories documentation submission requirements exist. The supporting required documentation must be submitted using the upload feature in the Attachments List unless specifically asked to upload to the Checklist Summary. Use the Cost Category/Line # when naming the file being loaded. Use the Comment Section to provide additional identifying information about the document being loaded, and of what costs it supports.

PLEASE NOTE: In addition to the documentation requirements outlined, DECAL may request additional information to make an informed decision regarding the allowability of the cost.

The organization is required to submit the Specific Prior Written Approval Request Form for:


- Special cost items added to the “Other and Special Costs” line item from the Budget Detail package,
- Cost items not specifically identified elsewhere in the Budget package,
- Costs not specifically identified in FNS Instruction 796-2/796-4 Rev. 4

In addition to the submission of the request form, the organization may be required to submit additional supporting documentation to assist DECAL in making an informed decision regarding the allowability of the cost. Costs requiring specific prior written approval may not be incurred until approval has been granted from DECAL.


Revising the Budget Estimated Expenditures

The projected expenditures for the amended budget will be the actual year-to -date expenditures plus any projected increase in allowable costs for the remaining months of the fiscal year. These totals will represent annualized projections. The organization is responsible for ensuring that costs are reasonably projected for the fiscal year.

Step 4 Upload all Required Supporting Documents.

-  Whether in the Checklist Summary or the Attachment listing, organizations are responsible for submitting the documentation required and/or requested for budget review and approval. Review the Budget Line-Item Categories section for guidance on documentation submission requirements and documents that must be available upon request. Ensure costs are properly documented. Use the Naming Convention Guide (page 7) to assist with a consistent naming format for items loaded to the Attachment List.

Step 5 Check the Certification Statement and Save and Finish

-  Place a check mark in the Certification Statement only after data entry is complete, all supporting documents are loaded, and the information is ready for review. An error message will display when the certification statement is not checked; however, continue completing the Budget Detail by using the edit, save and finish features. Only acknowledge the certification statement in the Budget Detail when ready for submission, review, and approval.

BUDGET DEVELOPMENT (Creating a Budget and Financial Management)

1. **Determine the estimated amount of income from each funding source, including the estimate meal reimbursements and the maximum potential administrative earnings the institution or sponsor will receive from the Child and Adult Care Food Program.**

Meal Reimbursements

Complete the Projected Annual Revenue Worksheet(s):

Independent Centers and Sponsors of Affiliated or Unaffiliated centers must complete the projected reimbursement worksheet to determine the estimated meal reimbursement and estimated maximum amount allowed for administrative costs. Use the Anticipated Annual CACFP Reimbursement (Projected Total Meals * Rate) worksheet. Click close to save data. Also see the excel version on our website if necessary.

<http://www.dec.al.gov/documents/attachments/projectedreimburse.xls>

Day Care Home Sponsors must complete the Anticipated Annual DCH Reimbursement (Projected Total Meals * Rate) worksheet. Click close to save data.

The SFSP High/Low Reimbursement is automatically calculated based on the site data entered into the Site Applications.

Use A1 in the Budget Detail section of the application to report Other Program Revenue

Prior Year Ending Balance in the Food Service Account

This will be the remaining balance in the food service account at the end of the prior fiscal year. This is the amount of CACFP income that was earned but not spent in the prior fiscal years. If all of the CACFP income that was earned in the prior fiscal year was spent, the amount would be zero, and would not be entered.

Prior Year Excess Administrative Earnings/Excess Funds

The Healthy Hunger-Free Kids Act of 2010 allows Day Care Home sponsors to carry over a maximum of 10 percent of administrative payments into the succeeding fiscal year. For Day Care Home Sponsors, any administrative funds remaining at the end of the fiscal year that exceed 10 percent of that fiscal year's administrative payments must be returned to DECAL. If the 10 percent carryover funds are not expended in the succeeding fiscal year, the Day Care Home Sponsors are required to return the unused funds to DECAL. Day Care Home sponsor can avoid this situation by using its payments for CACFP administrative costs on a first-in-first-out basis.

Sponsors are responsible for correctly accounting for costs and maintaining accurate financial records and sufficient supporting documentation to demonstrate that costs claimed have been incurred, are allowable, and comply with all applicable Program regulations and policies. This includes properly calculated, segregating, and associating Program and sponsorship type revenue to compliant corresponding sponsorship type expenditures.

SFSP Excess Funds

Funds from SFSP participation, confirmed as excess through the year end reconciliation process, may also be included as Other. When intended for use in the CACFP, those funds must be so specified. During the SFSP application period, sponsors must complete the paper document on the DECAL website. This additional information will assist with delineating the funds assigned to SFSP vs CACFP. <http://www.dec.al.ga.gov/documents/attachments/TotalProjectedIncomeWorksheet.doc>

Organization must designate carryover and excess funds in compliance with the Excess Funds in the CACFP and SFSP – January 25, 2019 memo.

<http://dec.al.ga.gov/documents/attachments/ExcessFundsCACFPandSFSP20.pdf>

The source of funds and intended use must be disclosed, and the amount of funds for that specified use entered into A1 Other Program Revenue.

Other Funding Sources

The amounts represent your organization's other income source(s) **and** amount of other income that your organization uses to supplement the CACFP/SFSP reimbursement to cover the cost of the food service program expenses **or** in the event of reimbursement interruption. The total amount entered should only be the funding sources that were described in the Management Plan.

Program income

Program Income is the gross income earned from activities supported by the program. When the institution's nonprofit food service includes all its food service activities, program income is generated by the operation of any aspect of that food service. When the institution's program food service is limited to the CACFP/SFSP, program income is limited to the incomes that result from operating the CACFP/SFSP. All income to CACFP/SFSP - must be retained and used only in the institution's program food service. Examples of program income include:

- Participant payments for meals in institutions which operate pricing program
- Payments received from food sales to adults when the total operating cost is not reduced by the cost of adult meals
- Revenue from non-program operations when a separation of program and non-program food service is not appropriate
- Proceeds from the disposition of real and nonexpendable personal property acquired with Food & Nutrition Services funds.
- Royalties and other income earned from the sales or licensing of copyrighted work developed under CACFP/SFSP



Other income

Other income includes other funds that result from program operations, or are applied to program operations. Examples of other income include:

- Cash donations earmarked for use in the CACFP/SFSP food service
- Interest earned on advance administrative or meal services funds
- Funds committed by the institution to CACFP/SFSP/Other Sources of Income
- Funds received for CACFP/SFSP food activities from other nongovernmental resources
- Funds received from the sales of unused or unneeded supplies purchased with CACFP/SFSP funds.

Administrative Withholding

- + 226.7(g), 226.16(b) (1)) *Ceiling on Administrative Reimbursements for Sponsors of Centers*
- + 226.12 *Administrative payments to sponsoring organizations for Day Care Homes*

Total Administrative Expense

7 CFR §226.16(b)(1) requires that the annual administrative budget submitted by a sponsoring organization of centers, and the actual administrative costs of such a sponsoring organization, not exceed 15% of the meal reimbursements estimated to be earned by its sponsored centers during the budget year, unless the State agency grants a waiver.

After the disclosure of total costs, organizations must also ensure that the % Allocated to the CACFP/SFSP/OTHER is correct, so that only the allowable portion of shared of costs are requested for approval, in the Budget Detail. During the CACFP renewal process or at any CACFP revision, administrative costs requested must represent only CACFP program costs. This is accomplished by representing all non-CACFP costs in the Other Funds column.

CACFP Sponsors of unaffiliated centers have a fiduciary responsibility to their sponsored facilities to be prudent and responsible as their funding comes from the sponsored facilities. Therefore, sponsors are not allowed to incur costs solely to maximize reimbursement. See FNS 796-2 Rev. 4 VIII I 23 d.

2. **Make a list of all the expenditure items your institution needs to operate the CACFP/SFSP.** These costs are those that are paid with both CACFP/SFSP Program funds and other non-program funding resources. It is helpful to look at items of income and expenditure as Fixed and Variable:

- Fixed expense items are likely to remain the same throughout the year i.e.-rent.
- Variable expense items are likely to change depending on levels of activity.

If an institution is preparing an amended budget, the projected expenditures for the amended budget will be the year-to-date expenditures plus any projected increase in allowable cost for the remaining months of the fiscal year. (Periodic cost typically needs to be annualized/averaged in order to represent an accurate annual projection.)

3. **Define the cost as administrative costs or operating costs.**

The administrative costs represent any allowable expenses incurred by an institution in planning, organizing, and managing the food service program.

The operating budget represents allowable expenses incurred by an institution in serving meals to participant under CACFP/SFSP and allowed by DECAL's financial management instructions. Except as provided in §226.18(a) (7), sponsors of day care homes do not have allowable operating expenses.

4. **Define the cost as direct or indirect cost. FNS 796-2 Rev. 4 VII C**

Direct costs are costs that can be identified directly to a program and/or funding source and must be charged directly to the program. Direct costs which are insignificant in dollar amount may be treated as an indirect cost if the institution is consistent in this application to all cost objectives. Examples of allowable direct costs used in CACFP/SFSP include:

- Operating and administrative nonprofit food service employee salaries

- Depreciation on equipment used in the nonprofit food service program
- Food purchased for use in the nonprofit food service program

Indirect costs are costs that have been incurred for common or joint objectives and cannot be practically identified to the food service programs, or other institution's program. There are three categories of indirect costs (a) depreciation (b) operating and maintenance, and (c) general and administration costs.

- The allocated expenses of the institutions' buildings, capital improvement to land/building and equipment used for common purposes are examples of indirect costs for depreciation.
- Operating and maintenance indirect costs are the expenses that have been incurred for the administrative, operation, maintenance, preservation, and protection of the institution physical plant.
- General and administrative indirect costs are the expenses that have been incurred for the overall general executive and the administrative of the institution.

Indirect costs may only be charged when approved through and approved indirect cost rate plan or an approved minimum rate plan. See OMB 200.410-414 and Appendix III, IV, or V for an explanation of each, and Indirect Cost Category below.

5. Ensure the proper procurement process is applied to costs that you intend to request approval for reimbursement with CACFP/SFSP funds. See the Procurement Process section in this document and the Procurement Manual.

Allocating, also known as prorating, is the system or procedure used to determine the amount or percentage of cost charged to a particular Program or activity. Institutions or sponsors with multiple funding sources and/or multiple activities must develop a cost allocation plan. Shared costs may be allocated either directly or indirectly to the programs function they support. Institutions must assign a method for allocating shared costs which closely and reasonably reflects the degree of benefit received by each Program, function, and/or activity. Sponsors must submit a cost allocation plan in their budget and the basis for any specific rate.

An allocation methodology describes how the item is prorated and directly charged. Simply indicating a percentage of allocation is not sufficient when an allocation methodology is requested. The institution must provide the basis or rationale for the methodology, (i.e. number of hours, number of miles, etc.), that is used as the common denominator that divides the cost between a program, project, or sponsorship. Before allocating costs, an organization must verify that costs are allowable. This responsibility is the Program Contact, Designated Principle, Board Members and Organization's responsibility.

FACTORS THAT AFFECT ALLOWABILITY INCLUDE THAT COST MUST BE:

Per FNS 796-2 Rev. 4 and 2 CFR Part 200 Subpart E §200.400.

- Actual, current, necessary and reasonable, for proper and efficient administration of the program;
- Authorized and not prohibited under State or local laws or regulations.
- Conform to any limitations or exclusions set for in FNS Instructions 796-2 Rev. 4 VII A, Federal Laws, or the governing limitations as to types or amounts of cost items; and consistent with the requirements of 2 CFR 200 Subpart E;
- Allocated and not chargeable or included as cost to other programs, and net of all applicable credits;
- Consistent with both federal and non-federally financed activities in accordance with generally accepted accounting principles (GAAP).
- Adequately documented with paid receipts, invoices, contracts, agreements, bank records, personnel and accounting records, and required forms.

Direct costs allocation

When the allowable direct costs cannot be exclusively classified as operating or administrative costs, or the direct cost benefits several programs, the shared cost must be allocated.

Cost allocation procedures distribute accumulated costs to the programs that benefit from the accumulated costs based on percentages that represent a reasonable and equitable allocation.

Allocations should never be equally split based on the number of programs administered by an institution, but must be prorated based on the amount of use a particular program receives from a service/product, etc. For example, a sponsoring institution that operates both a day care home and center sponsorship cannot split the use of a copier 50%-50%, just because they operate two programs, unless the percentage is based on an acceptable allocation methodology, which clearly support this division of cost.

Organizations are highly encouraged to utilize the Budget Guidance - Allocation Tool Worksheet to assist with determining logical allocation basis, the records to use and maintain during the calculation process, and to calculate the allocable costs. The form is available on the DECAL website.

<http://www.decal.ga.gov/documents/attachments/AllocationCalculationtool.xlsx>

Indirect costs allocation

Indirect costs must be allocated on a consistent and rational basis through the development of a cost allocation plan, which is approved by the cognizant Federal or State Agency. OMB Super Circular 200 Subpart E must be used when developing a cost allocation plan.

The following are some typical program cost accounting accumulation categories and the typical equitable bases of distribution:

COST ACCUMULATION	TYPICAL EQUITABLE DISTRIBUTION BASE
Operating Expenses and Equipment	The most equitable basis practical (e.g., floor space, machine hours, or other usage rate measurement). If a piece of equipment is to benefit more than one program, an estimate of the use on each program could be used to determine an allocation percentage. Salaries and Wages-hours chargeable to each program.
Administration Costs	The most equitable basis practical (e.g., salaries and wages, personnel years, total budgeted expenditures or other reasonable and systematic basis). The most equitable basis practical (e.g., floor space, machine hours, or other usage rate measurement). Salaries and wages – hours chargeable to each program. If a piece of equipment is to benefit more than one program, an estimate of the use on each program could be used to determine an allocation percentage. Supplies may be purchased in bulk and then used on various program. It may be possible to internally requisition supplies and charge actual cost to a program.
Indirect Cost	Special care and judgment should be exercised in selecting an equitable basis for distributing indirect costs. Different bases are used, where appropriate, to allocate different types of expenditures. For example, telephone expenditures might be allocated based on salaries and wages costs or hours, but utilities and rent might be allocated based upon square feet of space.

Representation of Costs in the Budget Detail

For combined sponsors who administer both the CACFP and SFSP, organizations must represent the allocation of all NON-CACFP Costs in the % Other Funds Cost column. During the SFSP renewal period, re-categorize the SFSP portion of costs in the SFSP column.

Organizations must maintain internal records that allocate cost based on the benefit received. According to FNS Instructions 796-2 Rev. 4, only the share of cost that benefit the Program can be assigned as Program costs.

Combined Daycare Home and Sponsors of Affiliated and Unaffiliated sites must also maintain internal records that allocate cost based on the benefit received. Only the share of cost that benefit the Program can be assigned as Program costs. The financial management system, internal controls and resulting internal records are critical as it relates to supporting the allocation of projected cost by sponsorship type and Program/non-Program type, and the subsequent use of Program funds.

According to FNS Instructions 796-2 Rev. 4 VI C 2- Accounting records, trial balances, ledgers, and journals are critical components that must accurately demonstrate the use of the funds by sponsorship type and Program/non-Program type.

Allocation Methodology

Listed below are some additional expenses and allocation methodologies that are typical to charging cost. Use the Budget Guidance - Allocation Tool Worksheet to assist with the identification of logical allocation methods, and accurate calculations.

- Copy and fax
 - Per page charge (In order to allocate copiers or faxes, a log must be maintained so that only those amounts used by CACFP/SFSP can be properly charged.)
- Mileage
 - CACFP/SFSP miles versus Total miles
- Rent
 - Square footage of area to be charged versus total square footage of building
 - Actual number of hours of CACFP/SFSP use versus Total number of hours of space is used
- Salaried Employee and fringe benefits
 - CACFP/ hours versus Total hours worked for organization
 - Use the Staff Distribution Worksheet to accurately calculate the % allocated to CACFP/SFSP by sponsorship type, and for operating and administrative costs.
- Purchased Service
- Utilities
 - Square footage of the CACFP/SFSP space versus Total square footage of building
 - Actual number of hours of CACFP/SFSP use versus Total number of hour's space is used
 - Utilities analysis performed by utility company

Use the Attachment List feature to upload documentation to support the calculation of projected cost, and allocated percentage rate, if less than 100%.

7. Consider the options and contingencies.

What if you have a short fall of income? Can activities be scaled down? Would you cancel or postpone certain expenses? What will happen if some income is late? Should you plan for other unexpected circumstances?

If the estimated allowable costs appear to be more than the estimated administrative reimbursement or the mealtimes rate reimbursement that could be received, the institution must have other funds to supplement these costs. All institutions must demonstrate they are financially viable, which includes but is not limited to demonstrating that the organization has adequate sources of income, excluding CACFP funding, to administer their program.

The budget must be presented to the DECAL for review and approval

PROCUREMENT PROCESS AND THE BUDGET

When an organization intends to obtain goods and services through purchase, rental or barter using CACFP/SFSP meal reimbursement, goods and services, must be acquired according to the procurement procedures as detailed in the Procurement Manual. This manual is based on the procurement standards and guidelines authorized 7 CFR 226.22 and 7 CFR 225.17, and organizations must comply. These standards shall not relieve the institution of any contractual responsibilities under its contracts. The organization is responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements entered into, in support of the CACFP/SFSP. Organizations may use their own procurement procedures that reflect applicable state or local laws and regulations.

The underlying foundation of all purchasing activities, regardless of the method used, is that the procurement is conducted in a manner that provides maximum open and free competition. Procurement procedures shall not restrict or eliminate competition. To the extent possible, efforts must be made to include small, minority, and woman owned firms when using solicitation lists.

Most purchasing activities follow Simplified Acquisition Procedures that include Micro-purchase and Small purchase activities. Both procedures are simple and informal procurement methods used in the purchase of goods and services that do not exceed the aggregate amount of more than **\$15,000 and \$350,000**, respectively. Records must be retained by the organization to support compliant procurement methods and must be available upon request.

Purchases of goods or services that exceed the Simplified Acquisition threshold of **\$350,000** must be formally procured. Organizations must adhere to a monitored preliminary process, to ensure cost are compliant. The Purchasing and Procurement Specialist monitors this process and must be contacted for guidance. See the Procurement Manual for more information. In summary, the following preliminary steps are required:

For procurements exceeding the Simplified Acquisition Threshold (SAT) of **\$350,000**. You must provide Bright from the Start **Purchasing and Procurement Specialist** the following documentation for **review and written approval BEFORE and AFTER Solicitation**:

Before Solicitation	After Solicitation
Company Procurement Policy	Proof of Advertisement Posting
Company Written Standard Codes of Conduct	Completed copies of Evaluation/Scoring sheets from evaluator(s) and Selection of apparent winner based on evaluation.
Public Advertisement and Notice	Bids from Respondents <ul style="list-style-type: none">•CACFP Bids over \$50,000•SFSP Bids over \$100,000
Evaluation Scoring Sheet Template (Must be on Pass/Fail basis for Invitation for Bids)	Reasoning for selection of winner (only for those being awarded and did not provide lowest price)
Copy of Invitation for Bid/Request for Proposal package	

GA ATLAS – UPLOADING PROCUREMENT DOCUMENTS

Procurement and solicitation documents must be uploaded to GA ATLAS under the attachment list and/or checklist summary corresponding to the budgeted cost line item, and instructions provided in the Procurement Manual. The procurement documents must prove free, open, and fair competition was achieved and the most responsive and responsible bidder providing the lowest price was selected.

Evidence that an approved, monitored formal procurement process was followed, approved contracts, an agreement to furnish foods, and the invoice for the approved advertisement are documents that are required for submission, for budget review and approval. These documentation requirements will be addressed at each relevant budget category/line item to follow.

BUDGET LINE-ITEM CATEGORIES:

PRE-AWARD COST (SFSP ONLY) Pre-Award Costs (Prior Approval/ Specific Prior Written Approval): are costs incurred prior to the effective dates of the award (approval to participate in the SFSP) directly pursuant to the negotiation and in anticipation of the award where such costs are necessary to comply with the proposed delivery schedule or period of performance. Such costs are allowable only to the extent that they would have been allowable if incurred after the date of the award and only with written approval of the awarding agency. Cost more than 90 calendar days pre-award require approval of the Federal awarding agency. Ensure those costs are included. Refer to 2 CFR Part 200 Subpart E for more information on general costs principles for federal reimbursement programs.

Sponsors that have excess funds from the prior year and have SFSP-related costs that would be incurred prior to the submission and approval of the application can use the funds on allowable costs. Sponsors must indicate the costs in this line item and submit documentation to support the cost(s). **Sponsors that submit requests prior to receiving access to the complete the application are still required to enter the information in the budget.**

Budget Submission Requirements: All documents listed below must be submitted with the application for review and approval.

- Pre-Award Cost Request form
- Small Purchase Documentation Forms if applicable
- Approved Prior year Reconciliation Form
- Time Report-Administrative Staff form
- Gas Receipts if applicable
- Hotel Receipts if applicable
- Mileage Report if applicable

Documentation Retention Requirements: All documents listed below must be maintained on file and made available for review.

- All the above
- Documentation Submitted with request
- Invoices/Receipts
- Canceled checks and/or bank statements

- Documentation to support the calculation of projected cost, and allocated percentage rate, if less than 100%.

FOOD SUPPLY COSTS (Generally Allowable or Prior Approval) Whether contracted, vended, or store purchases, the company procurement policy, procedures and control processes must demonstrate that costs are properly procured and that goods/services are used for Program purposes. (OMB 200 §226.2.2 (a) (b))

Organizations must use the Other Funds column to account for food costs associated with meals that are ineligible for reimbursement from the CACFP and SFSP. This may include meals served to staff or ineligible adults, unallowable meal components, (i.e. bottled water, candy, items not listed on or used to prepare menu items), or meals sold as a Food Service Management Company, or catering activities. The representation of costs must comply with the additional financial guidance provided via the Memo dated July 6, 2016 named - Reporting and Allocating Program Costs Associated with SFSP Sponsors Serving as Food Vendors and/or Food Service Management Companies to other SFSP Sponsors or Non-SFSP Entities.

<http://www.decal.ga.gov/documents/attachments/ProgramCostsAsstSFSPasVendorsFSMC.pdf>

Micro-purchases as defined in 2 CFR Part 200 §200.67 may be awarded without soliciting competitive quotations. Micro-purchases are purchases of supplies and services, the aggregate amount of which does not exceed \$50,000. Sponsors with purchasing activities that exceed the micro-purchase threshold must demonstrate that timely and reliable information is obtained, maintained, reported, and used for decision making purposes. (OMB 200 §226.2.2 (c))

The ***Small Purchase Documentation Form*** may be used to demonstrate the most reasonable and lowest price is secured for each good/service. Organizations are prohibited from separating goods/services into single, sole-source agreement/contracts to preclude the competitive bid process, i.e., purchasing items separately to prevent total costs from meeting or exceeding small purchase threshold of \$350,000.

Please refer to Bright from the Start's Procurement Manual for guidance on the micro-purchase and small purchase requirements, and the competitive bid process.

Budget Submission Requirements: All documents listed below must be submitted with the application for review and approval.

- Agreement to Furnish Foods Contract, or official binding contract resulting from procurement process. (SFSP)
- Approved Executed Contract (CACFP)

Documentation Retention Requirements: documents including, but not limited to those listed below must be maintained on file and made available for review.

- All the above
- Invoices/Receipts
- Menu/Production records
- Canceled checks and/or bank statements
- Documentation to support the calculation of projected cost, and allocated percentage rate, if less than 100%.
- Procurement and Purchasing Policy
- Copy of Final Public Release Announcement and copy of announcement to food service vendors and/or food service management companies

- Invitation for Bid (IFB) and Contract (*PDF Form available on Bright from the Start's website & Flash Drive*)
- Small purchase form

NON-FOOD SUPPLY COSTS (**Generally Allowable Cost**) These are operating costs incurred by the organization while preparing and serving meals to eligible participants, and include paper napkins, straws, dishwashing compounds, disposable serving products, food service cleaning supplies, etc. This cost item is found under the cost category named “Materials and Supplies” in FNS Instruction 796-2 Rev. 4.

Whether contracted, vended, or store purchases the company procurement policy, procedures and control processes must demonstrate that costs are properly procured and that goods/services are used for Program purposes. (OMB 200 §226.2.2 (a) (b))

The organization should project the amount used for the year and allocate based on CACFP and SFSP projected usage. The number of months participating in each Program and the number of projected reimbursable meals in each, are suggested allocation basis.

Use the Other Funds column to account for non-food supplies that are used for general hygiene and facility cleanliness. This will include toilet tissue, general cleaning supplies, mops and buckets, hand soap, paper towels, etc. Also consider the supplies used in preparation and delivery of meals ineligible for CACFP/SFSP reimbursement. This will include supplies used to serve meals served to staff or ineligible adults, or to serve unallowable meal components.

When reporting monthly costs for non-food supplies, the costs should not exceed more than one-month usage. Allowable non-food costs are limited to the cost of the items actually used for the Program during the month.

Documentation Retention Requirements: documents including, but not limited to those listed below must be maintained on file and made available for review.

- Invoices/Receipts
- Canceled checks and/or bank statements
- Documentation to support the calculation of projected cost, and allocated percentage rate, if less than 100%.
- Procurement Documentation where applicable:
 - Procurement and Purchasing Policy
 - Copy of Final Public Release Announcement and copy of announcement to food service vendors and/or food service management companies
 - Invitation for Bid (IFB) and Contract (*PDF Form available on Bright from the Start's website & Flash Drive*)
 - Small purchase form

FACILITIES AND SPACE COSTS – (Prior Approval or Specific Written Prior Approval)

The cost category for this item can be found in two categories in 2 OMB 200: 1) Rental Costs; 2) Depreciation. Depending on the specific situation for which space is being occupied or leased, different requirements apply.

Once an item is fully depreciated, Use Allowance is no longer allowable. *Per Office of Management and Budget (OMB) 2 Code of Federal Regulations 200 (Super Circular) 200.436 (d) (4), costs may not be depreciated beyond its useful life. Implementation of the Super Circular was addressed in DECAL Memo-Questions and Answers on the Transition to and Implementation of 2 CFR Part 200 - November 24, 2015. The link follows for your reference.*

<http://www.dec.al.ga.gov/documents/attachments/QuestandAnsTransitionImplemCFR.pdf>

When depreciating, any generally accepted method of computing depreciation may be used as long as the method results in equitable charges considering the useful life of items, and the benefits received by the Program. The depreciation method used for the Program should be consistent with the method used by the organization for its other federally sponsored and nonfederal sponsored activities. Depreciation for Nonprofit organizations is calculated excluding common areas, such as hallways, stairwells, and restrooms.

Allocation of Costs-Rental Space (Kitchen or Office)

Ensure that operating space and administrative costs, used for CACFP and SFSP operations are calculated and allocated accurately. Sponsors must use and submit an appropriate allocation methodology. The Allocation Tool is available to assist with that assessment.

<http://www.dec.al.ga.gov/documents/attachments/AllocationCalculationtool.xlsx>

Operating costs are those related to kitchen space used for meal preparation/set-up, and dining. Administrative costs are those for office space. Idle space/time and general operating space must be reflected in the “Other” Column. Depending on the specific situation for which space is being occupied or leased, different calculations may apply.

Fees associated with health and safety inspections, should be recorded in this budget category. For DCHs this cost would be included in the sponsoring organization’s program budget as an administrative cost.

For at-risk afterschool care centers, outside school hours childcare centers (OSHCCs), emergency shelters, and SFSP facilities, fees charged for inspections are considered operating expense since this expense is incurred due to meal services. See Requirements for Obtaining a Food Service (Kitchen) Inspection – April 17, 2019

<http://www.dec.al.ga.gov/documents/attachments/FoodServiceMemoandInquiryPermit.pdf>

When renting or leasing kitchen or office space in whole or in part, organizations sponsors must ensure that reimbursement is used to pay costs related to Program use. Disclosure is required when related parties are involved. [Related Party Disclosure Form](#)

When an ownership interest exists in Facility and Space costs, the cost requested must NOT exceed the actual cost incurred by the owner, and if this cost is requested, the cost must be in accordance with OMB §200.465. Personal and home office space is not allowable per OMB §200.434.

Budget Submission Requirements: All documents listed below must be submitted with the application for review and approval.

- Documentation to support allocation methodology
- Copies of rental/lease agreement
- Depreciation Form, if required
- Documentation to support cost when with a Related Party
- Prior Approval is required if
 - The costs for rearrangement & alterations to facilities owned by the institution that are necessary for efficient and effective program operations but do not result in capital improvements
 - All special lease arrangements
 - a. Costs for rearrangement and alteration
 - b. Cost incurred during periods on non-occupancy
 - c. Single base allocation to prorate maintenance and operation cost
 - d. Depreciation methods that are difference from those specify in the FNS instructions
 - e. Life Expectancies
 - f. Unknown acquisition cost
 - Costs incurred by the institution during periods of non-occupancy
 - A single base such as square footage to prorate maintenance and operation costs between program and non-program activities when these costs are not included in rent or other space charges
- Invoice for fees paid for license/health inspection report

Documentation Retention Requirements: documents including, but not limited to those listed below must be maintained on file and made available for review.

- All of the above
- Procurement documentation (small purchase form, formal bid documents, etc.), if applicable
- Documentation to support the calculation of projected cost, and allocated percentage rate, if less than 100%

LABOR AND BENEFITS COSTS (Generally allowable or Prior Approval) This cost category includes all forms of compensation earned and all forms of payment, cash, and noncash, for personal services for program administrative and operating labor can be found under the cost item entitled “Labor Costs” in FNS Instruction 796-2 Rev. 4. The institution must maintain on file the organization’s compensation plan. The compensation plan must include specific information and be in compliance with May 20, 2016 Memo – Guidance for Establishing a Written Compensation Plan.

<http://www.dec.al.ga.gov/documents/attachments/CompensationPlanGuidance.pdf>

Documentation of time and attendance and time distribution reports must be maintained for all labor costs charged to the program. Refer to pages 41-55 of FNS Instruction 796-2 Rev. 4 and DECAL's Labor Documentation Memo for specific documentation requirements

<http://www.dec.al.ga.gov/documents/attachments/LaborCostDocumentation.pdf>

(See Procurement Manual if a staffing service is utilized).

Per FNS Instruction 796-4 Rev. 4, “Labor operating costs are allowable when the amounts claimed are based upon hourly rates that are reasonable for the services provided and documented by payroll records. Hourly rates will be considered reasonable to the extent that they are consistent with rates paid for similar work in the area in

which the sponsor is located. The cost of program labor may include the documented amounts of wages and fringe benefits, including Social Security withholding tax and retirement benefits paid or incurred during the reporting period. The costs associated with personnel who work only a portion of their time for the SFSP must be prorated based on the hours worked for the Program.”

Annual costs must be allocated according to administrative, operation and/or other duties. Costs included in the budget for staff, should be consistent with staff listed in the Budget Questions and Assertions, Management Plan, Authorized Signers section, and Program Operation section of the application. Ensure the number of staff is consistent with the size of the institution/sponsor. If a sponsor has more than one organization, ensure the number of all staff is consistent with the number of sites. Sponsors are required to have internal controls in effect to ensure accountability. Timely and reliable Program information must be obtained, maintained, reported, and used for decision making. Time Reports for Administrative SFSP Staff (Attachment 25) and Dual Administrative and Operating Staff (Attachment 27) are forms/resources that may be utilized to assist. If utilized, these forms must be completed monthly and signed by the position/employee’s supervisor.

Benefits found under the “Labor Costs” cost category under the Fringe Benefits section (section g) in FNS Instruction 796-2/796-4 Rev. 4, are health/dental insurance premiums, retirement plans, etc. When paid per person, the amount of the employer’s share of these benefits that can be charged to the CACFP/SFSP and should be based on the amount of time that employee spends performing CACFP/SFSP related tasks.

Organizations with multiple sponsorship types, must also ensure that financial records segregate costs by sponsorship type, to ensure compliance with affiliated, unaffiliated, and day care home sponsorship limitations. The ultimate amount paid must be equal to or less than that percentage of time spent on each related task and must be allowable by sponsorship type.

The employer’s share of fringe benefit costs is allowable when all like employees (federally and non-federally funds) receive the same options for benefits, in accordance with the established written policy of the institution.

Disclosure is required when related parties are employed. [Related Party Disclosure Form](#)

Budget Submission Requirements:

All documents listed below must be submitted with the application for review and approval.

- **Staff Distribution Worksheet for all staff being paid with program funds**
- Organization’s/Company Compensation Plan
- Declaration page and invoice, indicating the type and cost of insurance (if benefits are requested)
- Related Party Disclosure form, if required

Documentation Retention Requirements: documents including, but not limited to those items listed below must be maintained on file and made available for review upon request.

- All the above.
- Time Reports (Form: □-Attachment 27) for all staff that perform administrative and operational duties for the organization and/or for the SFSP, and
- Time Reports (Form: □-Attachment 25) for all staff that perform administrative duties.
- Payroll records, i.e. canceled checks, documents supporting payment of payroll taxes, bank statements, etc.
- Documentation to support the calculation of projected cost, and allocated percentage rate, if less than 100%

Allocation of Labor Costs

To establish the portion of costs that may be claimed as Program labor, the Time Distribution Report, Time Report (*Attachment 27*), or another valid record must document the amount of time spent by each person on CACFP and SFSP duties. Although employees may perform multiple job functions, there can only be one wage. The wage must be for the employee's total work performance; further prorated (using an appropriate allocation methodology) based on the amount of time spent performing CACFP and SFSP job duties. Non-Program related duties are accounted for in the Other Funds column. The institution/sponsor must ensure that costs are not duplicated and charged against multiple funding sources.

Organizations that will use CACFP and SFSP funds for labor costs for shared positions, e.g. Executive Directors, Program Managers/Administrators, Monitors, Clerical Staff, Accounting or Bookkeeping Staff, must ensure that the employee's total salary is prorated, and only hours worked performing CACFP and SFSP duties are represented in each respective column, row, and subsequently paid with associated reimbursement, as allowable, and approved.

For SFSP please note, the SA allows 4-6 weeks of time for pre/posting planning, when the time is necessary and reasonable for efficient program administration. The sponsor must ensure that costs are not duplicated and charged against multiple funding sources.

Note: While the budget is an estimate of these costs, actual costs charged to the Program each month must be based on the actual time worked for the institution as documented. Documentation of time and attendance and time distribution reports must be maintained for all labor costs charged to the program. Time studies are not acceptable documentation for the ultimate use of Program funds. Refer to FNS Instruction 796-2 Rev. 4 and DECAL's Labor Documentation Memo for specific documentation requirements.

Compensation Plan

The institution must have a compensation plan. FNS Instruction 796-2 Rev. 4 requires institutions to establish and maintain a written compensation plan for every element of compensation charged to the CACFP and SFSP. See the recent financial record keeping memo entitled *Guidance for Establishing a Written Compensation Plan – May 20, 2016*. <http://www.dec.al.ga.gov/documents/attachments/CompensationPlanGuidance.pdf>

All allowable forms of compensation, that the organization projects to use meal reimbursement towards, must be addressed, requested, and paid in accordance with this guidance. When an institution does not have a compensation plan that meets the following criteria, it may not charge labor costs to the CACFP/SFSP.

Upon determining that an institution does not have the required documentation to support charging labor costs to the CACFP/SFSP, the institution will be given the opportunity to correct this deficiency. If the institution does not sufficiently address compensation in a compensation plan, DECAL will require the organization to utilize CACFP/SFSP reimbursement in cost areas, other than labor.

The compensation plan must at a minimum include the following items:

- Rate of pay
- Hours worked, including breaks and meal periods

- The institution's plan and payment schedule for regular compensation, employment taxes, fringe benefits, overtime, compensatory time, and holiday pay, awards, severance pay, travel, and payroll tax withholding
- Overtime, compensatory time, holiday pay, incentive payments/awards, and severance pay require specific prior written approval from DECAL for each instance and should be included in the institution plan and payment schedule when applicable
- The compensation policy must also reflect the requirements of the US Department of Labor's Fair Labor Standard Act for all FLSA nonexempt employees Allowable Wage Amounts for CACFP/SFSP positions
- **An Outside Employment/ Conflict of Interest Policy**

Salaries for operating and administering the CACFP/SFSP - must be consistent with rates paid for similar work and consistent with the amounts reported by the U.S. Department of Labor or State Labor Department for that same field of employment, in the same or comparable geographic location. To ensure that CACFP/SFSP funds used for salaries are necessary and reasonable, DECAL has identified Standard Occupational Codes (SOC) and calculated related salary/wage ranges for three program functional areas: Program Administration, Provider Training /Monitoring, and Administrative Support.

Appendix C presents the CACFP Wage Guidelines for the current year. The wage guidelines are derived from the most recent Occupational Employment Statistics Survey data. DECAL will be responsible for updating Appendix C on an annual basis and ensuring that all institutions receive the updated appendix prior to the submission of the budget.

The CACFP Wage Guidelines will only be used to gauge the reasonableness of salaries and wages. Benefits and applicable taxes are not included in the salary or wage ranges.

Annual salary rates will be applied to all program staff that works a minimum of 35 hours per week. Hourly rates will be applied to staff working less than 35 hours a week since the wage guidelines are based on full-time employment or 2080 work hours per year.

For organizations that administer multiple sponsorship types (DCH, Affiliated/Unaffiliated Sponsor, Independent Center, At-Risk After School Program) and Programs (CACFP/SFSP) with the Nutrition Services Division of DECAL, the Wage Guidelines cannot be applied separately to each sponsorship type and Program. For example, if the same monitor is utilized to monitor Daycare Homes and Daycare Centers, that individual should only have one salary or wage that is allocated, based on the benefit received by each sponsorship type. DECAL will only approve one salary for that monitor. The payroll records of the organization must properly support the allocation and use of Program funds for that staff person. Organizations who only administer and manage funds from the CACFP and SFSP may not utilize the Chief Executive - COO - Superintendent Functional Area.

CONTRACTED LABOR COSTS (Prior Approval / Specific Prior Written Approval)

Cost for 1099 contract labor staff is recorded in this category. Operating and administrative labor must be necessary and reasonable for proper administration of the Program. Rates of pay must be allocated appropriately based on Program and non-Program duties. Rates of pay must be consistent with the company compensation plan and with Federal Department of Labor Statistics for similar positions.

For SFSP – The organization must ensure that administrative contractors are not utilized for management responsibilities. See Policy No. SFSP/09-17.

If a staffing company is used, ensure that proper procurement is followed. For costs that exceed the micro purchase threshold of \$50,000 quotes must be obtained and the lowest cost vendor, meeting the organization's needs, chosen. For costs exceeding the simplified acquisition threshold of \$250,000, a formal procurement process must be followed. See the Procurement Manual for guidance.

Purchased Professional Services are categorized in Contracted Costs.

Budget Submission Requirements: All documents listed below must be submitted with the application for review and approval.

- Executed Contracts
- Related Party Disclosure form, if applicable

Documentation Retention Requirements: documents including, but not limited to those items listed below must be maintained on file and made available for review upon request.

- All the above
- Organization's Compensation Plan;
- Time Distribution Reports, (Form: □-Attachment 27), or similar documentation, for all staff that perform administrative and operational duties for the organization and/or
- Time Distribution Reports, (Form: ▯-Attachment 25), or similar documentation, for all staff that perform administrative duties.
- Payroll records, i.e. canceled checks, documents supporting payment of payroll taxes, bank statements, etc.
- Documentation to support the calculation of projected cost, and allocated percentage rate, if less than 100%.
- Procurement Documentation where applicable:
 - Procurement and Purchasing Policy
 - Copy of Final Public Release Announcement and copy of announcement to food service vendors and/or food service management companies
 - Invitation for Bid (IFB) and Contract (*PDF Form available on Bright from the Start's website & Flash Drive*)
 - Small purchase form

EQUIPMENT COST ((Prior Approval/Specific Prior Written Approval))

Equipment means an article of nonexpendable, tangible personal property having an acquisition cost which equals or exceeds the lesser of the capitalization level established by the institution for financial statement purposes, or \$10,000, regardless of useful life. An organization is permitted to charge the program, equipment cost as a direct cost, or as depreciation. Outright purchases of capital equipment are NOT permitted in the SFSP, (FNS Instruction 796- Rev. 4 X A4a & E2bc, and OMB §200.439), cost directly expensed would be via rental or lease expenses.

Depreciation is a means of allocating the cost of fixed assets to periods benefiting from asset use. The depreciation method used for the program should be consistent with the method used by the institution for its other federal sponsored and nonfederal sponsored activities. A physical inventory is required, at least once

every two years for items funded with federal monies. All equipment over \$10,000, purchased or depreciated, should be documented on the Equipment & Depreciation Record form.

Use allowance is no longer allowable as an extended depreciation method. Per Office of Management and Budget (OMB) 2 Code of Federal Regulations 200 (Super Circular) 200.436 (d) (4), costs may not be depreciated beyond its useful life. Implementation of the Super Circular was addressed in DECAL Memo-Questions and Answers on the Transition to and Implementation of 2 CFR Part 200 - November 24, 2015. The links follows for your reference.

<http://www.dec.al.ga.gov/documents/attachments/QuestandAnsTransitionImplemCFR.pdf>

<http://www.dec.al.ga.gov/CACFP/Handbook.aspx> (Equipment Notice)

Meal reimbursements may NOT be used for unallowable costs. Doing so will result in the disallowance of costs and of funds being due to the food service account.

Ensure that operating and administrative costs are reported accurately.

Budget Submission Requirements: All documents listed below must be submitted with the application for review and approval.

- Rental Lease Agreement/Contract for equipment costs
- Invoice/Quote
- Equipment and Depreciation Record
- Submit the Specific Prior Written Approval Request Form when:
 - Depreciation methods that are different from those specified in the FNS Instructions 796-2 Rev. 4
 - Organization intends to use meal reimbursement to directly expense. (FNS 796-2 Rev. VIII I 16)

Documentation Retention Requirements: documents including, but not limited to those items listed below must be maintained on file and made available for review upon request.

- All of the above
- Documentation to support the calculation of projected cost, and allocated percentage rate, if less than 100%
- Canceled checks, bank statements, etc.
- Procurement Documentation where applicable:
 - Procurement and Purchasing Policy
 - Copy of Final Public Release Announcement and copy of announcement to food service vendors and/or food service management companies
 - Invitation for Bid (IFB) and Contract (*PDF Form available on Bright from the Start's website & Flash Drive*)
 - Small purchase form

EXPENDABLE SUPPLIES (Generally Allowable or Prior Approval)

Expendable materials and supplies are actual costs of Program material and supplies used within the month or less at the time of purchases. These items are disposable in nature. When expendable materials and supplies purchases exceed more than one month's usage, allowable costs are limited to the cost of the items used for the program during the month.

In this category, only include office type supplies. Items used to document, label, categorize the preparation, serving and delivery schedule of food, are operating costs. Items used to process data, develop, file, and maintain necessary program records are administrative costs. Paper, pens, ink, and other disposable office type supplies are categorized here.

When reporting monthly cost for expendable supplies, the costs should not exceed more than one month usage. Allowable expendable costs are limited to the cost of the items actually used for the program during the month.

Budget Submission and Retention Requirements: documents including, but not limited to those listed below must be maintained on file and made available for review upon request:

- Invoices/Receipts
- A list of items to purchase including quantity and price
- Procurement documentation (small purchase form, formal bid documentation, etc.)
- Documentation to support the calculation of projected cost, and allocated percentage rate, if less than 100%

DURABLE SUPPLIES (Prior approval/ Specific Prior Written Approval)

Durable supplies are general purpose supplies that do not meet the definition of equipment and cost less than the lesser of the capitalization level established by the non-Federal entity for financial statement purposes or \$10,000, regardless of the useful life. For example: coolers, digital thermometers, small kitchen appliances as operating costs, and a receipt scanner is an administrative cost. Please note that large kitchen appliances such as refrigerators, stoves, and dishwashers that cost less than \$10,000 are considered durables supplies; however, a Specific Prior Written Approval form must be completed and submitted to DECAL for approval before purchase.

Allowable costs for durable supplies include material and supplies that do not meet the definition of equipment. Allowable costs for durable supplies are the costs at the time of purchase, net applicable credits, rebates, and/or discounts.

Documentation Retention Requirements: documents including, but not limited to those listed below must be maintained on file and made available for review upon request:

- Invoices/Receipts
- A list of items to purchase including quantity and price
- Procurement documentation (small purchase form, formal bid documentation, etc.)
- Documentation to support the calculation of projected cost, and allocated percentage rate, if less than 100%

CELLULAR COST (Prior Approval/Specific Written Prior Approval) - Cellular costs that are incurred for efficient administration of the Program must be established, purchased, or leased by the institution and cannot be in the name of an individual. These costs are typically administrative. 2 CFR OMB 200

Budget Submission Requirements: All documents listed below must be submitted with the application for review and approval.

- Recent bills in the name of the institution
- Specific Prior Written Approval form

- Documentation to support the calculation of projected cost, and allocated percentage rate, if less than 100%

Documentation Retention Requirements: documents including, but not limited to those listed below must be maintained on file and made available for review upon request:

- All of the above
- Canceled checks and/or bank statements
- Documentation to support the calculation of projected cost, and allocated percentage rate, if less than 100%

COMMUNICATION COSTS (Prior Approval/Specific Written Prior Approval) - This cost item can be found in the FNS Instruction 796-2 Rev. 4 under the cost item by the same name. Telephone and internet costs that are incurred for efficient administration of the Program must be established, purchased, or leased by the institution and cannot be in the name of an individual.

Postage costs include postage charges such as stamps, bulk mailing, or certified mail charges. The cost of the lease of a postage meter should be listed with Contracted Cost. These are typically administrative costs.

Budget Submission Requirements: All documents listed below must be submitted with the application for review and approval.

- Invoice/Receipt for Goods/Service
- Documentation to support the calculation of projected cost, and allocated percentage rate, if less than 100%

Documentation Retention Requirements: documents including, but not limited to those listed below must be maintained on file and made available for review upon request:

- All of the above
- Canceled checks and/or bank statements
- Documentation to support the calculation of projected cost, and allocated percentage rate, if less than 100%

TRAVEL COSTS AND MILEAGE REIMBURSEMENT (Prior Approval or Specific Prior Written Approval) - The items on this worksheet can be found under the cost category entitled "Travel" in FNS Instruction 796-2 Rev. 4. To be allowable travel reimbursement must be addressed in the company compensation plan and be requested and paid in accordance with allowable methods of reimbursement. See DECAL's memo entitled Guidance for Establishing a Written Compensation Plan – May 20, 2016. <http://www.dec.state.ga.us/documents/attachments/CompensationPlanGuidance.pdf>

Operating costs include those incurred when meals/components are picked up from food service management companies and/or vendors, grocery stores, etc., when credible meals are delivered to approved sites, or eligible children are transported to approved sites for meal service. For example, when renting or leasing a vehicle for SFSP purposes, to transport meals or children, that cost and the actual cost (fuel) may be charged to the program. Company vehicles may be charged to the program in a manner consistent with financial statement treatment of the costs incurred. If a vehicle is being depreciated, and actual costs (fuel, maintenance cost) are expensed, then only the applicable portion of depreciation and actual costs are allowable.

Administrative costs are incurred when traveling to and from sites for Program purposes to conduct monitoring visits, technical assistance visits, for travel to Program related trainings, meetings, and conferences. An example of administrative costs is when personal vehicles are used for monitoring visits. Mileage reimbursement is usually requested to cover the program related travel. Miles projected for reimbursement and the rate of reimbursement, must be disclosed in the Budget Questions and Assertions section.

When completing the Specific Prior Written Approval form, include employee names, purpose for travel, specify the conference, workshop, or training title, and associated costs.

When using a mileage reimbursement rate, that allowance must be consistent with federal reimbursement rates or the company's compensation plan, whichever is less. The mileage allowance is considered to be the full cost for operating the vehicle including fuel, depreciation, insurance, and maintenance, but excludes the driver's salary.

Budget Submission Requirements: All documents listed below must be submitted with the application for review and approval.

- Invoice/Quote for vehicle rental/lease costs
- Company Compensation Plan where travel reimbursement is addressed

Documentation Retention Requirements: documents including, but not limited to those listed below must be maintained on file and made available for review upon request:

- All of the above
- Mileage Record Form (*□-Mileage Record Form*) that includes the staff's name, position, date(s) of travel, start/stop odometer reading, number of miles traveled each trip, itinerary/purpose of trip and the signature of the staff person, and organization's supervisor;
- Contract with rental company, and
- Receipts, invoices, canceled checks, bank statements, and financial records.
- Procurement documentation (small purchase form, formal bid documentation, etc.)
- Documentation to support the calculation of projected cost, and allocated percentage rate, if less than 100%.

CONTRACTED COST (Generally Allowable or Specific Written Prior Approval) – The items reported on this line item of the budget will be found under different cost categories in FNS Instruction 796-2 Rev. 4. Audits are found under the cost category of the same name. Accounting, legal, or other professional services for persons who are members of a particular profession or who possess a particular skill, are found under the cost category entitled “Legal Expenses and Other Professional Services.” Data processing is found under the cost category “Purchased Services – Other.” Refer to CACFP Policy 02/22 for further guidance on contracted services. This includes cost for an audit, payroll fees, and maintenance or repair service contracts on Program equipment not captured in other categories of the budget. In contrast, fees for filing the organization's corporate or nonprofit status income taxes, such as filing a 990, are considered general business expenses and are not allowable Program expenses.

Audits, in compliance with Audits Policy No.: CACFP/03- 27 and SFSP/03-11 rev.2, include both organization-wide and program audits meeting the requirements of 7CFR Part 3052. Federal regulations require all non-profit institutions which expend \$1,000,000.00 or more in Federal funds per fiscal year are required to submit an audit report based on Governmental Accounting Standards and in compliance with 2 CFR OMB 200

Subpart F to the Federal Audit Clearinghouse, Georgia Department of Audits and Accounts, and Bright from the Start: Georgia Department of Early Care and Learning (DECAL).

DECAL reserves the right to require for-profit institutions that expend \$1,000,000 or more in federal funds per fiscal year to submit a copy of an audit report based on Governmental Accounting Standards and in compliance with 2 CFR Part 200 Subpart F, to DECAL on a case-by-case basis. The audit report for profit institutions must follow the same requirements as previously described for non-profit institutions. Bright from the Start will notify selected profit institutions if they are required to submit an audit report.

Filing and payroll fees for Program employees as required by Federal and/or State law and required in the administration of the program and reasonable in relation to services provided, are allowable when properly procured.

Budget Submission Requirements: All documents listed below must be submitted with the application for review and approval.

- Engagement Letter
- Contract Proposals
- Procurement Documentation where applicable:
 - Procurement and Purchasing Policy
 - Copy of Final Public Release Announcement and copy of announcement to food service vendors and/or food service management companies
 - Invitation for Bid (IFB) and Contract (*PDF Form available on Bright from the Start's website & Flash Drive*)
 - Small purchase form

Documentation Retention Requirements: documents including, but not limited to those listed below must be maintained on file and made available for review upon request:

- All of the above
- Executed Agreement/Contract
- Receipts, invoices, canceled checks, bank statements, etc.
- Documentation to support the calculation of projected cost, and allocated percentage rate, if less than 100%

UTILITY AND MAINTENANCE/JANITORIAL COSTS (Prior Approval or Specific Prior Written Approval) -These cost items are found under the cost category named “Purchased Services -Other” in FNS Instruction 796-2 Rev. 4. If utilities are included in rental or lease agreement, utilities should not be listed separately on this line. Include costs that are related to utilities associated with meal preparation/delivery or set-up, office space and related office space utilities. Organizations must appropriately allocate cost as operating and administrative. Operating cost are those associated with the kitchen and dining space. Administrative costs

are those associated with office space. Time amount of time space is used for Program purposes must be included in the calculation of costs.

whether the cost meets the definition of “necessary and reasonable”. Use the Attachment List in Atlas to upload supporting documentation represented in this category. Use the file name and comment section to identify the document. Use the comment section to provide additional information. If the amount requested in the budget include multiple items, either upload multiple documents, or one document that includes all support for costs as well as summary of the costs. Items in this category require prior approval or specific prior written approval. Be sure to clearly document the intended good or service and the associated costs.

Fees associated with health and safety inspections, should be recorded in the Facilities and Space Costs category.

Allocation of Costs-Utility/Maintenance/Janitorial Costs (Kitchen, Dining, and/or Office)

When incurring Utility/Maintenance/Janitorial Costs in a kitchen or office space, organizations must ensure that meal reimbursements are used to pay costs related to Program use. Organizations must use and submit an appropriate allocation methodology.

Any logical method of allocating costs may be used as long as the method results in equitable charges, is consistent with the method used by the institution for its other federally sponsored and nonfederal sponsored activities, and is aligned with the derivative of the costs.

Budget Submission Requirements: All documents listed below must be submitted with the application for review and approval.

- Most recent utility bill(s) in the name of the institution
- Rental Lease Agreement/Contract for Space
- Documentation to support the calculation of projected cost, and allocated percentage rate, if less than 100%
- Janitorial/ Maintenance agreement if charging for services

Documentation Retention Requirements: documents including, but not limited to those listed below must be maintained on file and made available for review upon request:

- All of the above
- Documentation to support the calculation of projected cost, and allocated percentage rate, if less than 100%
- Canceled checks and/or bank statements
- Procurement documentation (small purchase form, formal bid documents, etc.), if applicable

OTHER AND SPECIAL COSTS (Prior Approval or Specific Prior Written Approval) Cost not specified in other cost categories are disclosed here. 200.438(b) Costs of prizes or challenges are allowable if they have a specific and direct programmatic purpose and are included in the Federal award. Documentation, supporting the projected cost for any cost intended to be paid with CACFP/SFSP funds; is required as this information is needed to determine

Budget Submission Requirements: All documents listed below must be submitted with the application for review and approval.

- Documentation of Costs
- Documentation to support the calculation of projected cost, and allocated percentage rate, if less than 100%
- Procurement Documentation where applicable:
 - Procurement and Purchasing Policy
 - Copy of Final Public Release Announcement and copy of announcement to food service vendors and/or food service management companies
 - Invitation for Bid (IFB) and Contract (*PDF Form available on Bright from the Start's website & Flash Drive*)
 - Small purchase form

Documentation Retention Requirements: documents including, but not limited to those listed below must be maintained on file and made available for review upon request:

- All of the above
- Receipts, invoices, canceled checks, bank statements, etc.
- Documentation to support the calculation of projected cost, and allocated percentage rate, if less than 100%

ADVERTISING & PUBLIC RELATIONS (Prior Approval)

Costs related to advertising that is required, and the advertising necessary and reasonable for efficient Program administration. Advertising for formal procurements and necessary public relations costs are disclosed in this category. The quote or invoice for the approved ad, supporting the cost is required. These costs are typically administrative and would be categorized at that functional level.

Budget Submission Requirements: All documents listed below must be submitted with the application for review and approval.

- Documentation of Costs
- Procurement Documentation where applicable:
 - Procurement and Purchasing Policy
 - Copy of Final Public Release Announcement and copy of announcement to food service vendors and/or food service management companies
 - Invitation for Bid (IFB) and Contract (*PDF Form available on Bright from the Start's website & Flash Drive*)
 - Small purchase form

Documentation Retention Requirements: documents including, but not limited to those listed below must be maintained on file and made available for review upon request:

- All of the above
- Receipts, invoices, canceled checks, bank statements, etc.
- Documentation to support the calculation of projected cost, and allocated percentage rate, if less than 100%

MEETINGS & CONFERENCES (Prior Approval or Specific Prior Written Approval)

When organizations attend conferences and meeting during the program period, associated projected costs are disclosed here. Organizations must submit a registration form or brochure, and travel cost quotes to support in State or Out of State Program Related Conference costs. Meeting/Workshops that are not totally Program focused must be prorated based on the amount of time the workshop covers Child Nutrition topics. These costs require specific prior written approval. Per 2 CFR 200.432, Allowable conference costs may include the rental of facilities, speakers' fees, attendance fees, costs of meals and refreshments, local transportation, and other items incidental to such conferences unless further restricted by the terms and conditions of the Federal award. The costs of identifying and providing locally available dependent care resources for participants are allowable as needed. Conference hosts/ sponsors must exercise discretion and judgment in ensuring that conference costs are appropriate, necessary, and managed to minimize costs to the Federal award. The Federal agency may authorize exceptions for programs including Indian Tribes, children, and the elderly. These costs are typically administrative and would be categorized at that functional level.

Budget Submission Requirements: All documents listed below must be submitted with the application for review and approval.

- Documentation of Costs
- Procurement Documentation where applicable:
 - Small purchase form
 - Travel Itinerary and associated costs
 - Meeting Agenda

Documentation Retention Requirements: documents including, but not limited to those listed below must be maintained on file and made available for review upon request:

- All of the above
- Receipts, invoices, canceled checks, bank statements, etc.
- Documentation to support the calculation of projected cost, and allocated percentage rate, if less than 100%

PARTICIPANT TRAINING & OTHER PARTICIPANT SUPPORT COSTS (Prior Approval)

When sponsors facilitate Participant Training and Support, associated costs i.e., rental costs of facilities or equipment for training, is recorded in this line item. Allowable participant training costs for CACFP require prior approval. These costs are typically administrative and would be categorized at that functional level.

Budget Submission Requirements: All documents listed below must be submitted with the application for review and approval.

- Documentation of Costs
- Procurement Documentation where applicable:
 - Small purchase form
 - Travel Itinerary and associated costs
 - Meeting Agenda
 - Declaration page, invoice, or quote

Documentation Retention Requirements: documents including, but not limited to those listed below must be maintained on file and made available for review upon request:

- All of the above

- Receipts, invoices, canceled checks, bank statements, etc.
- Documentation to support the calculation of projected cost, and allocated percentage rate, if less than 100%

PROPOSAL COSTS (Specific Prior Written Approval)

Proposal cost associated with the preparation of proposal submissions for grants or projects that are necessary and reasonable for efficient Program administration, require specific prior written approval. These costs are typically administrative and would be categorized at that functional level.

Budget Submission Requirements: All documents listed below must be submitted with the application for review and approval.

- Documentation of Costs
- Procurement Documentation where applicable:
 - Procurement and Purchasing Policy
 - Copy of Final Public Release Announcement and copy of announcement to food service vendors and/or food service management companies
 - Invitation for Bid (IFB) and Contract (*PDF Form available on Bright from the Start's website & Flash Drive*)
 - Small purchase form
 - Quote

Documentation Retention Requirements: documents including, but not limited to those listed below must be maintained on file and made available for review upon request:

- All of the above
- Receipts, invoices, canceled checks, bank statements, etc.
- Documentation to support the calculation of projected cost, and allocated percentage rate, if less than 100%

PUBLICATION, PRINTING & REPRODUCTION (Prior Approval or Specific Prior Written Approval)

Publication, printing and reproduction costs are services paid for printing or reproduction of forms, brochures, and newsletters. Ensure that receipts for costs include the name (title) of the form, instruction booklet, or handbook duplicated, and quantity. These costs are typically administrative and would be categorized at that functional level.

Budget Submission Requirements: All documents listed below must be submitted with the application for review and approval.

- Documentation of Costs
- Procurement Documentation where applicable:
 - Small purchase form
 - Quote for copies, including title and quantity

Documentation Retention Requirements: documents including, but not limited to those listed below must be maintained on file and made available for review upon request:

- All of the above
- Receipts, invoices, canceled checks, bank statements, etc.
- Documentation to support the calculation of projected cost, and allocated percentage rate, if less than 100%

INSURANCE COSTS (Prior Approval or Specific Prior Written Approval)

Insurance Cost not related to fringe benefits are categorized here. Provide a declaration page that includes the insured, coverage, and cost. These costs are typically general business expenses required by law. These administrative expenses are categorized at that functional level. Please note if the Insurance Policy is combined with another policy or a bundle package, a breakdown of the total premium amount from the insurance company must accompany the declaration page.

Budget Submission Requirements: All documents listed below must be submitted with the application for review and approval.

- Declaration page, invoice, or quote
- Declaration page, invoice or quote
- Allocation method used to determine costs
- Procurement Documentation where applicable:
 - Small purchase form

Documentation Retention Requirements: documents including, but not limited to those listed below must be maintained on file and made available for review upon request:

- All of the above
- Receipts, invoices, canceled checks, bank statements, etc.
- Documentation to support the calculation of projected cost, and allocated percentage rate, if less than 100%

INDIRECT COST (Prior Approval or Specific Prior Written Approval)

Indirect costs must be supported by a cost allocation plan that assigns an indirect cost rate. The organization institution must submit a copy of the document that shows the indirect cost rate (nonprofit rate agreement) assigned and approved. The Federal Cognizant Agency approves and confirms an indirect cost rate, through issuance of a Certificate of Indirect (F&) Costs. Organizations should consult the internal finance department for guidance and information about a federally recognized indirect cost rate negotiated between it and the Federal Government.

If no such rate exists, either a rate negotiated between the State Agency (pass-through entity) and the non-Federal organization (subrecipient), or a de minimis indirect cost rate as defined in §200.414 may be used. Organizations may elect to charge a de minimis rate of 10% of modified total direct costs (MTDC) which may be used indefinitely.

According to 2 CFR OMB §200.68 Modified Total Direct Cost (MTDC) - means all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first \$25,000 of each

subaward (regardless of the period of performance of the sub awards under the award). MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each sub award in excess of \$25,000. Other items may only be excluded when necessary to avoid a serious inequity in the distribution of indirect costs, and with the approval of the cognizant agency for indirect costs.

If you have any questions concerning the establishment of this rate, please call DECAL.

Budget Submission Requirements: All documents listed below must be submitted with the application for review and approval.

- Approved Indirect Cost Rate Plan/ Certificate of Indirect (F&A) Costs
- Minimis Rate Request
- An explanation of the base amount used to determine the indirect costs amount and the mathematical calculation showing how the Projected CACFP/SFSP indirect costs are derived.

Documentation Retention Requirements: documents including, but not limited to those listed below must be maintained on file and made available for review upon request:

- All of the above
- Journal entries, canceled checks, bank statements, etc.

FINALIZING THE BUDGET

- Check and recheck all math calculations in the budget
- Ensure that unrelated costs are allocated to the Other Fund column
- Upload all required documentation, disclosure forms, and specific prior approval requests and be sure all requested supporting documents including: job descriptions, rental or lease agreements, etc. are attached
- In the Checklist Summary and Attachment List, use the Comment box whenever necessary for explanations
- Attach clarifications whenever necessary
- Ensure that all documentation necessary to support the budget is maintained on file and available upon request for review.

BUDGET STATUS and NOTIFICATIONS

- Access communication regarding the status of your budget in ATLAS from the:
 - Budget Detail Comments to Institution
 - Application Packet Note; or via
 - Email
 - Official Letters
- Obtain a clear understanding of the costs that are approved. Organizations with CACFP and SFSP program MUST review approved cost and acquire a clear understanding of CACFP approved cost and SFSP approved costs. The total approved amount will sum in the approval column when costs are allocated to both the CACFP and SFSP. The organization is responsible for the accurate application and use of funds for allowable Program Costs.

- Notification of capped or denied costs is sent via email and includes notice of appeal rights.
- Denial of a duplicate request is sent via email, an application packet note, or a budget detail comment to the Institution.
 - Duplicate request is defined as a request for the same amount, including no additional documentation to support the request amount.
- Appeal rights are not extended for duplicate requests.

MONTHLY RECORD OF COSTS

Organizations must complete the monthly record of costs during the monthly claim process. Organizations must report how meal reimbursements are utilized, by cost category and by function. Organizations must have documentation to support incurring the costs and using meal reimbursement for the costs. Failure to maintain the required records will result in the cost(s) being determined unallowable. Organizations that use meal reimbursement on unallowable costs will be required to repay funds to the organization's non-profit food service account. Failure to repay all funds will result in the organization and all responsible individuals being determined Seriously Deficient and will impact future participation in the CACFP/SFSP.

Organizations/responsible individuals determined Seriously Deficient are not eligible for future CACFP/SFSP until all deficiencies are rescinded and all debt is repaid. Organizations are encouraged to associate all receipts, invoices, canceled checks, bank statements, and other documents to support the disclosed use of funds each month.

DCH Sponsors and Sponsors of unaffiliated centers will have administrative costs only. The operating rows would be ignored.

Independent Centers, Sponsors of affiliated centers, and SFSP Sponsors will have operating costs and may have administrative costs that align with budget requests. Actual costs that are allowable and approved, are reported.

BUDGET REVISIONS

The Budget Detail must be revised if the amount allocated to the CACFP or SFSP changes based on the following factors:

- A new cost is incurred
- A line item increases or decreases by 20% or more. A line item is defined as the function level, Operating and Administrative and/or the Program level CACFP and SFSP. If there is a change that impacts either level by 20% or more a budget revision is required.
- When allocation methodologies change due to changes within the organization resulting in an increase or decrease of 20% or more;
- A new cost item will be incurred that requires prior or specific prior approval or special consideration (i.e. formal procurement);
- When an approved specific prior written approval item's actual cost is found to be more than the actual approved amount;
- If there is a 10% or more increase or decrease in the number of homes sponsored in any one trimester (according to the Federal Fiscal year) for Day Care Home Sponsors, and /or

- When there is a 25% increase or decrease in the number of sites sponsored by the organization.
- Costs that exceed established maximums are unallowable and the 20% rule does not apply when established maximums are breached.

CACFP

A revised budget must be received a minimum of (no more than) 30 days prior to the date of the CACFP meal reimbursement being used to cover that new cost. The institution or sponsor is responsible for demonstrating and documenting that other funds were used to pay for new cost, not yet approved in the budget. When the sponsor/institution uses CACFP funds to reimburse the costs incurred, it must also demonstrate through bank records, the date and amount of CACFP funds used toward that reimbursement of costs.

Adjustments that require prior or specific prior written approval are not allowable program costs until the item is approved in the budget.

SFSP

A revised budget must be received a minimum of (no more than) 24 hours prior to the date of the SFSP meal reimbursement being used to cover new costs. The sponsor is responsible for demonstrating and documenting that other funds were used to pay for new cost, not yet approved in the budget. When the sponsor uses SFSP funds to reimburse the costs incurred, it must also demonstrate through bank records, the date and amount of SFSP funds used toward that reimbursement of costs. All other updates must be made within 3 days.

Sponsors are required to complete the Sponsor Update Form (Attachment Q, page 2), and notify the Budget Compliance Supervisor of all budget revision submissions at nutritionbudget@dec.al.ga.gov.

CACFP/SFSP

Costs are approved as of the effective date of approval, which corresponds to the date of the complete request. A complete request is one accompanied by all required completed/correct forms, clear information, support and evidence satisfying DECAL questions regarding the costs.

Once the administrative budget is approved by DECAL, the institution/sponsor is expected to adhere to the budget (e.g., pay salaries as stated in the budget). DECAL will evaluate adherence to the approved budget during the scheduled and unscheduled institution/sponsor compliance reviews. Costs incurred and paid with CACFP/SFSP meal reimbursement, prior to the effective date of the budget revision's approval, will be cited as unallowable costs.

The projected expenditures for the budget amendment will be the year-to -date expenditures plus any projected increase in allowable cost for the remaining months of the fiscal year.

APPENDIX A

ITEMS REQUIRING PRIOR APPROVAL, SPECIFIC PRIOR WRITTEN APPROVAL, AND FNSRO APPROVAL

The following is a list of items that require the institution to receive prior or specific prior written approval from Bright from the Start: Department of Early Care and Learning (DECAL) or the Food and Nutrition Services Southeast Regional office prior to using CACFP reimbursement to pay for the item. The first column lists the cost topic that requires prior approval; the second column lists the section; and the third column lists the page where the item is found in the FNS Instruction. The fourth column lists the specific item that requires prior approval. If the institution uses reimbursement to pay for any of the items listed but does not submit a budget and receive approval prior to paying the cost, the cost is not allowable and will have to be repaid to the CACFP account.

Cost topic	Section	Pg. #	Specific Item	Prior Approval	Specific Prior Written Approval	FNSRO Approval
Advertising & Public Relations Costs	3 a (2)	19	Public relation costs for pamphlets, news releases & other information services	YES		
Communication	8 a (1)	21	Cellular phones & pagers owned or leased by the institution – SA's may impose prior approval or specific prior	*YES DECAL requires	YES	
Contributions & Donation Costs	10 a	22	Costs required to make goods or services donated to the institution usable for		YES	
Day Care Home Licensing Standards Costs	12 a (1, 2 & 3)	26	Supplies such as smoke detectors & fire extinguishers; minor alterations such as adding handrails; and the costs of fire & safety inspections & licensing fees are required to permit an income eligible day care home to		YES	
Depreciation	13 b (1)	28	All space and facility depreciation methods other than 30- year straight line or method used & accepted for Federal		YES	
	13 a (1)	28	income tax reporting purpose For publicly owned buildings, the amount assigned as the acquisition		YES	
	13 d (1)(a)	29	All equipment depreciation methods other than 15-year straight line depreciation or method used & accepted for Federal income tax reporting		YES	

APPENDIX A

Cost topic	Section	Pg. #	Specific Item	Prior Approval	Specific Prior Written Approval	FNSRO Approval
	13 d (1)(c)	30	Unknown acquisition cost		YES	
Employee Morale, Health, & Welfare Costs & Credits	14	32	All costs in this category		YES	
Expensing Equipment and Other Property	16 a	34	The program's share of the cost for most equipment & improvements can be directly expensed (NOTE: See 16 b for	YES		
Facilities & Space Costs	17 a (3)	35	The costs for rearrangement & alterations to facilities owned by the institution that are necessary for efficient and effective program operations but do not result in capital improvements (NOTE: See unallowable costs.)		YES	
	17 d (1)	36	All special lease arrangements (see 36 d, below)		YES	
	17 d (2)	36	Costs incurred by the institution during periods of non-occupancy		YES	
	17 d (3)	36	A single base such as square footage to prorate maintenance and operation costs between program and non- program activities when these costs are not included in rent or other space charges		YES	
Insurance	21 a (2)(a)	37	Costs of other insurance, not required by the SA, maintained by the institution in connection with the general activities of the Program when the type, extent, & cost of coverage in accordance with general state or local government policy and sound business practices		YES	

APPENDIX A

Cost topic	Section	Pg. #	Specific Item	Prior Approval	Specific Prior Written Approval	FNSRO Approval
Insurance	21 a (2)(b)	37	Costs of insurance or contributions to any self-insurance reserve covering the risk, loss, or damage to Federal Government property to the extent that the institution is liable for such loss or		YES	
	21 a (2)(c)	37	Cost of directors and officers insurance provided that the insurance policy actually provides liability coverage related to the CACFP and, if the policy also provides coverage for non-CACFP liability, The CACFP share of the cost is properly allocated.		YES	
	21 a (2)(d)	37	Contributions to a reserve for self insurance to the extent that the reserve meets state insurance requirements and the type of coverage, extent of coverage, & the rates & premiums would have been allowed had insurance been purchased to cover the risks		YES	
Interest, Fund Raising, & Other Financial Costs	22 a (1)(a) i	38	Stop payment charges for facility advance & reimbursement payments and other Program disbursements, whether by check or EFT		YES	
	22 a (1)(a) ii	38	Program account reconciliation and analysis fees, including the allocated share of fees charged for commingled accounts		YES	
	22 a (2)	38	Interest incurred after 10/1/98, for non-profit private institutions and after 10/1/80, for public institutions on institutional debt used to acquire or replace allowable equipment or other property or make allowable improvements (NOTE: See unallowable costs.)		YES	

Cost topic	Section	Pg. #	Specific Item	Prior Approval	Specific Prior Written Approval	FNSRO Approval
	22 c (1)	40	Arm's length transactions (NOTE: See section on information required when requesting specific prior written approval.)		YES	
	22 c (2)	40	Less-than-arms-length transactions (NOTE: See section on information required when requesting specific prior written approval.)		YES	YES
Labor Costs	23 d (1)	48	Compensation to members of nonprofit institutions, trustees, directors, associates, officers, or the immediate families thereof require special consideration and specific prior written approval		YES	
	23 d (2)	48	Stipends to compensate board members for the costs of attending corporate meetings when program business is conducted requires special consideration and specific prior written approval		YES	23 d (2)
	23 d (3)	48	Any change to an institution's compensation policy that results in a substantial increase in the institution's level of compensation to an individual or all employees requires special consideration and specific prior written approval		YES	23 d (3)
	VID 3	7	Excess funds from an institution's nonprofit food service account used for increases in salaries for fringe benefit costs to improve food service operations, principally for the benefit of the participants.		YES	VID 3

Cost topic	Section	Pg. #	Specific Item	Prior Approval	Specific Prior Written Approval	FNSRO Approval
Overtime, Holiday Pay, and Compensatory Leave	23 h	50	Payment of overtime, holiday pay for work performed on a nonworking holiday & compensatory leave (NOTE: See section regarding exceptions.)		YES	23 h
	23 i	51	Incentive payments and awards (except for awards of minimal value, see i (6))		YES	23 i
Severance Pay	23 j	52	Severance pays when it does not constitute excess compensation and is required by law, written employer/employee agreement,		YES	
	23 k (1)	52	written policies of the institution, Deferred compensation when SA a negotiated written labor relations agreement determines the deferral is in best interest of the Program and it does not represent the		YES	
	23 k (11)	55	establishment of a contingency fund, an Amendments or modifications to approved to defer comp deferral plans		YES	
Legal Expenses & Other Professional	24 a (1)	56			YES	
	24 a (2)	56	The institution's costs for services performed by individuals who are not officers, employees or members of the institution		YES	
Management Studies	26 (a)	58	See section for additional information The cost of studies directly related to the Program that are performed by entities other than the institution itself		YES	
Materials & Supplies	27	58	SA may establish specific prior approval requirements for durable supply acquisitions		SA Decision	

Cost topic	Section	Pg. #	Specific Item	Prior Approval	Specific Prior Written Approval	FNSRO Approval
Meetings & Conferences	28 a (1)	59	Travel & registration fees for attending meetings & conferences devoted solely to the CACFP	*YES DECAL requires		
	28 a (2)	59	Allocated share of travel & registration fees when CACFP is only a portion of a larger Child & Adult Care related agenda		YES	
Membership, Subscriptions, & Professional Institution Activities	29 a (4)	60	Costs of public and not for profit institutions memberships in civic or community institutions	YES		
Participant Training & Other Participant Support Costs	30 a (1)	61	Training-administrative costs (NOTE: See section for a list of these costs.)	YES		
	30 a (2)	62	Training-operating costs (NOTE: See section for a list of these costs.)	YES		
	30 a (3)	62	Facility appeals costs (NOTE: See section for more information.)	YES		
Proposal Costs	32	64	Costs of preparing proposals on potential FNS Child Nutrition Program grants		YES	
Publication, Printing, & Reproduction	33	64	All allowable costs require prior approval	YES		

Cost topic	Section	Pg. #	Specific Item	Prior Approval	Specific Prior Written Approval	FNSRO Approval
Purchased Services – Other	34 a (1)(a)	65	Arms-length transactions for the maintenance, repair, or upkeep of administrative & food service equipment that neither adds to its value nor prolongs its intended life	YES		
	34 a (1)(b)	65	Costs of utilities, purchased security and janitorial service, etc., not included in space or labor compensation costs	YES		
	34 a (2)	65	All less-than-arms-length transactions; maintenance & service repair contracts on Program equipment; and all other purchased service costs needed for Program operation		YES	
Rental Costs	36 d	68	Special lease arrangements -- capital leases, sale-with-lease-back leases, less-than-arms-length transactions, & lease with option-to-purchase (NOTE: See section for more information. These also require special consideration.)		YES	
Termination Costs	38 a	71	Institution's necessary & reasonable costs of ceasing CACFP operations		YES	
Travel	39	72	Costs for Program travel (NOTE: See section for more information.)	YES		

APPENDIX B Projected Reimbursement Worksheet

<i>SECTION 2 Without Cash-in-Lieu</i>
Follow the steps below to input the appropriate numbers in each column or box.
1) Determine the types of meals to be served and claimed on the food program.
2) In column (2) enter the number of days in the month on average the center will be open to serve meals. Number of days should only be placed in rows that meals will be claimed. For example, if AM snack is served instead of breakfast, leave the breakfast row empty. Be aware that only 2 meals and 1 snack, or 2 snacks and 1 meal may be claimed per participant per day.
3) In column (3) enter the total enrolled participants, or number of participants typically present for the meal service beside each meal to be served. If Average Daily Attendance is known, use this number to obtain a more accurate projection. Total enrollment will result in a higher estimate since it does not take in account absences. ONLY ACTUAL MEALS SERVED MAY BE CLAIMED.
4) Multiply column (2) by column (3) to obtain the maximum number of meals to be served annually - column (4). If using the electronic version, this number will automatically calculate.
5) The percentages of each income category are taken from the percentage totals on Page 1 Item 2a, 2b, 2c.
6) The rates for each income category are established by Congress and should not be changed (new rates are effective July 1st each year).

7) Column (4) is multiplied by column (5) then by column (6) to obtain the reimbursement for each meal to be served, column (7).
When multiplying percentages, the decimal must be moved over two spaces (For example, 33.3333% would be multiplied as .333333).

8) All values in column (7) are added to obtain total annual reimbursement, Box (8).

0) Administrative costs are limited to 15% of the Total Reimbursement.

9) Box (8) is multiplied by 15% to determine the estimated amount of the reimbursement that can be used for Administrative costs. This amount is not added to the amount in Box 8, but is the maximum amount of the reimbursement that can be used on Administrative costs.

1	2		3		4		5	6		7	
Type of Meal	# Days open per year		Total Enrollment / APA		Total Meals for the year		%Free, Reduce, Paid	Rate		Reimbursement	
Breakfast		x		=	0	F	0.00%	2.37	\$	0.00	
						R	0.00%	2.07	\$	0.00	
						P	0.00%	0.39	\$	0.00	

Morning Snack	0	x	0	=	0	F	0.00%	1.21	\$	0.00	
						R	0.00%	0.60	\$	0.00	
						P	0.00%	0.11	\$	0.00	
Lunch		x		=	0	F	0.00%	4.73	\$	0.00	
						R	0.00%	4.33	\$	0.00	
						P	0.00%	0.72	\$	0.00	
Afternoon Snack		x		=	0	F	0.00%	1.21	\$	0.00	
						R	0.00%	0.60	\$	0.00	
						P	0.00%	0.11	\$	0.00	
Supper	0	x	0	=	0	F	0.00%	4.73	\$	0.00	
						R	0.00%	4.33	\$	0.00	

						P	0.00%	0.72	\$	0.00	
Evening Snack	0	x	0	=	0	F	0.00%	1.21	\$	0.00	
						R	0.00%	0.60	\$	0.00	
						P	0.00%	0.11	\$	0.00	
At Risk Snack	0	x	0	=	0	F	0.00%	1.21	\$	0.00	
			Projected Reimbursement for the year (Box 8)						=	\$0.00	
			Administrative Budget Limit (Box9)						x	15%	
Total Projected Amount that can be applied to Administrative Costs (Box10)									=	\$0.00	

DAY CARE HOME SPONSOR PROJECTED ADMINISTRATIVE REIMBURSEMENT WORKSHEET

Name of Institution: _____

Total # of Homes: _____

Input the total number of homes currently sponsored at this time in the cell above. The table below will allow the calculation of the maximum administrative reimbursement that the institution will receive for the upcoming fiscal year. However, because sponsors will only get paid for homes that claim reimbursement, and not all homes approved, the administrative reimbursement will likely be less. Sponsors should be aware of this fact and create a realistic budget based on actual costs that must be incurred to operate the CACFP. The claiming history of their sponsored facilities should be taken into consideration when determining the projected administrative reimbursement; however, the projected amount should be equal to or less than the maximum administrative reimbursement listed below. Budgets that exceed the maximum administrative reimbursement listed below must be justified in writing by the sponsor.

	# Homes per each Rate	Rate		Monthly Reimbursement		# Months		Yearly Reimbursement
First 50 homes or less (#1- #50 homes)	X	\$150.00	=		X	12	=	
Next 150 or less (#51-#200 Homes)	X	\$115.00	=		X	12	=	
Next 800 homes (#201-#1000 homes)	X	\$89.00	=		X	12	=	
Rest of homes sponsored (homes #1001 and over)	X	\$79.00	=		X	12	=	
Total # of Homes:								Total Maximum Administrative Reimbursement

FY 2025 WAGE GUIDELINES

CACFP Tasks	FUNCTIONAL AREAS				
	1***	2	3	4	5
	Chief Executive/ COO/ Superintendent	Program Administration/ Executive Director	Trainer/ Nutrition Education	Monitor	Administrative Support
Corporate Oversight	X				
Corporate Fiscal Oversight	X				
Responsible for Reporting to Governing Body	X				
Plans/Directs Funding/Grant Acquisition	X				
Complete Application		X			
Complete Management Plan		X			
Complete Budget		X			
Determine IES					X
Training (Provide or Attend)		X			
Accounts Payable		X			
Process Payroll		X			
Review and correct supporting claim documentation					X
Prepare claim for reimbursement					X
Computer/data entry					X
Plan Menus					X
Record/calculate point of service meal counts					X
General CACFP Administration & Financial Oversight	X	X	X		
Clerical					X
Monitoring				X	
On-site reviews				X	
Travel to/from facilities			X	X	
Supervisory oversight of monitors		X	X		
Writing review reports			X	X	
Follow-up reviews			X	X	
Parental contact			X	X	
Training facilities			X		

Standard Occupational Code (SOC)	***11-1011	11-9151	*13-1151	*13-1041	43-6014
SOC Title	Chief Executive	Social and Community Service Manager	Technical Assistance Coordinator/Trainer	Compliance Monitor	Secretaries, Except Legal, Medical, and Executive
Occupational Employment Statistics (OES)					
Maximum - Annually	\$304,764.72	\$96,033.60	\$80,163.20	\$84,510.40	\$47,146.32
Maximum - Hourly	\$146.52	\$46.17	\$38.54	\$40.63	\$22.67
OES State Occupational Employment and Wages May 2024	\$127.41	\$40.15	\$33.52	\$35.33	\$19.71

***Georgia Department of Human Resources 2024**

*****Function code is available only to institutions/sponsoring organizations with multiple funding sources, or multiple activities unrelated to the CACFP and/or SFSP.**

Note: Annual salaries are based on 2,080 hours per year. For part-time staff, the hourly rate represents the maximum.

SMALL PURCHASE ITEM DOCUMENTATION

Bright from the Start: Georgia Department of Early Care and Learning

Name of Individual Soliciting Information: _____

Instructions: Use this form to document the small purchase procedures. Individual or grouped transactions that exceed \$15,000 must be documented below. Ensure at least two (2) quotes are used between qualified sources, (3) three are preferred. Attach additional supporting documentation to this form. **Circle or note the vendor selected.** Complete bottom section if the lowest bidder was not selected. Upload to the Attachment list, when requested, or when required.

Vendor Name, Address, Telephone	Individual's Name and Position Providing Price Quote	Item Name/Description of the goods or services, including quantity, any other pertinent terms or conditions required by the organization and date of services	Date of Contact	Method of Contact	Discussion with Vendor	Price Quote and Duration	Final Negotiated Price
Vendor 1							
Vendor 2							
Vendor 3							

If the lowest bidder was not selected, document below the reasons the lowest bidder could not meet the specific contract terms sought.

APPENDIX E

Specific Prior Written Approval (SPWA) Request Form

Specific Prior Written Approval items are those that are not customarily incurred in the routine operation of the SFSP/CACFP. The organization must complete and submit the Specific Prior Written Approval Request Form when requesting special cost items and required in the Budget, costs not specifically identified on another worksheet in the Budget Package, for all less than arms length transactions, and for all costs that are not identified in FNS Instruction 796-2 Rev. 4. **Attach additional sheets or supporting documentation such as contracts or invoices as applicable.**

Institution Name:		Agreement #:	
Fiscal Year Cost will be incurred:		Estimated Date of Purchase:	
Item Name and Description: (Specifically identify the item requested)		Total cost of item (s):	
Address where requested item will be located:		Is this address different from the address on record in Atlas	Y/N
Identify which program the cost will be allocated to:	<div>CACFP</div> <div>SFSP</div> <div>DCH</div>	Allocate cost to each applicable program	<div>CACFP cost:</div> <div>SFSP cost:</div> <div>DCH cost:</div>
1) Explain why this cost is necessary and why the organization would not be able to operate the CACFP/SFSP without incurring this cost:			
2) Describe how the type and amount of the cost is reasonable and does not exceed what a prudent person (or a sponsored facility) would incur under the same circumstances by answering the following:			
a) How does the cost represent a generally accepted sound business practice and provide specific examples of such:			
b) Indicate the type of transaction below. (For a definition a less than arm's length transaction, refer to Exhibit A of FNS Instruction 796-2 Rev. 4. Arm's length transaction would be those not considered less than arm's length.)			
<input type="checkbox"/> Arm's length transaction	<input type="checkbox"/> Less than arm's length transaction	<input type="checkbox"/> Transaction results in ownership interest	
c) Indicate how the organization is exercising good judgment by incurring this cost, considering their responsibilities to the organization, its members, employees, clients, the public at large, the Federal government and CACFP/SFSP (Administrative Sponsors must specifically indicate how the item will benefit sponsored facilities and its impact on the facility):			
d) Identify the established practices of the organization for which this cost would represent an ordinary expense (You may be required to submit personnel policies of other documentation of this cost):			

3) <input type="checkbox"/> Check here to certify that proper procurement procedures will be followed. If it is a small purchase, complete and submit the Small Purchase Documentation Form.	
Signature of Institution Staff	Date

If this is an emergency request, email this form and supporting documentation to Gwendolyn.howard@dec.al.ga.gov . For all other requests, upload to Atlas in the Attachments section and email to Nutritionbudget@dec.al.ga.gov.

Bright from the Start Use Only Below:

Approval/Denial Status			
<input type="checkbox"/> Approved	<input type="checkbox"/> Approved with limitations		<input type="checkbox"/> Denied
Amount approved (if applicable):		Special considerations or reason denied is listed below:	
DECAL Signature:			Date:

EXAMPLES

Depreciation Method Example:

(Straight line depreciation spreads depreciation expenses evenly across an asset's depreciable life)

Little Ones, Inc. participates on the CACFP. Little Ones, Inc. buys a copy machine at a cost of \$8,200.00 and has a life expectancy of 5 years.

When charging depreciation expense to CACFP, the depreciation method should be consistent with the method used by the institution for its other activities.

The machine must also be allocated for CACFP use. Use a coding system for copies made the organization can accurately determine, to what extent the equipment benefits the CACFP.

Depreciation is calculated by using the acquisition cost, the life expectancy of the item, and the costs of improvements, alternations or repairs that extend the useful life of the item. The allocation rate is applied to this amount to determine the CACFP portion of costs.

Allocation Methodology

\$8200.00 total acquisition cost

5-life expectancy

$\$8200 / 5 \text{ life expectancy} = \$1640.00 \text{ yearly depreciation amount}$

5/20 copies are made for CACFP administrative use.

\$1,640 Represent the Annual Cost

20% represents the administrative amount in the CACFP column in the Equipment Cost category.

\$320 is the allowable amount.

Rental costs when the organization has a less than arm's length agreement Example:

Promise Preschool, Inc. is on the CACFP and pays rent to Jolly Holding, LLC. The President of Promise Preschool, Inc. is the Vice President of Jolly Holding, LLC. Because one person has common interest in both Organizations, this lease agreement is considered less than arm's length. The projected cost must be closely scrutinized to ensure that facility costs are properly calculated. Only the cost the owner incurs is allowable. Therefore, depreciation would be calculated.

Allocation Methodology

\$163,000 total acquisition cost

\$10,000 value of land

30-life expectancy of building

$\$163,000 \text{ total cost} - \$10,000 \text{ value of land} = \$153,000 \text{ total acquisition cost of building}$

$\$153,000 / 30 \text{ life expectancy} = \$5,100 \text{ yearly amount}$

$600 \text{ sq. ft. of kitchen and serving space} / 6,000 \text{ total sq. ft. of building} = .10 \text{ or } 10\%$

\$5,100 Represent the Annual Cost

10% Represents the operating amount in the CACFP column in the Facility and Space Costs category.

\$510 is the allowable amount.

If rent was paid to an unrelated party for an At-Risk After School Program operating for 10 months, the following example would apply.

APPENDIX F

Allocation Methodology

\$2,000 per month rent

600 sq. ft. of kitchen and serving space / 6,000 total sq. ft. of building = .10 or 10%

10 Months of Program operation

\$20,000 represents the Annual Amount

10% represents the operating percentage in the CACFP column

\$2,000 is the allowable amount.

Administrative Cost for Facility and Space Costs Example:

The following is an example of how to prorate rental charges for the office used to complete paperwork. The total square footage of the office would be divided by the total square footage of the entire building. This percentage would be multiplied by the rent. This calculation would yield the percentage of rent for the office as a whole for the entire day. Since the office is not used the entire day for CACFP purposes, the amount of rent would have to be further prorated based on the amount of time the office is used for CACFP purposes. This calculation is done by dividing the amount of time the office is used for CACFP purposes by the total amount of time the center is open for business. This percentage is then multiplied by the amount formerly prorated by the square footage.

Using the same information from above, the office is 250 square feet

The center is open 5 hours a day

The office is used 2 hours out of the day for CACFP purposes.

Allocation Methodology

$250 / 6,000 \text{ sq. feet} = .04$ or 4% percentage of square footage for office

$\$20,000 \text{ (in Annual Rental costs)} \times .04 = \400 total rental cost for office space

$2 / 5 \text{ hours per day} = .4$ or 4 % percentage of time office used for CACFP $\$400 \times .4 = \16

In this scenario, \$16 could be charged to the CACFP for rent for use of the office for completion of paperwork.

Salary and Wages Example for staff completing Operating and Administrative CACFP Duties:

The Program Contact performs CACFP operating and administrative duties. Item #2 of the Staff Profile of the Management Plan indicates responsibilities by check boxes, in both functional areas. Item #3 indicates that 38% of time (15/40 hours) is spent of CACFP duties. The Program Contact earns \$3,000 per month.

Allocation Methodology

$\$36,000 \times .38 = \$13,680$

15/40 hours per week are spent completing CACFP related tasks. Of the 15 hours 10 hours (25%) are spent for operating duties.

Of the 15 hours 5 hours 13%) are spent on administrative duties, for a total of 15 hours per week spent on CACFP related tasks.

$\$36,000 \times .25 = \$9,000$ is the maximum portion allocable to the Operating section of the budget for the Program Contact's salary.

$\$36,000 \times .13 = \$4,680$ is the maximum portion allocable to the Administrative section of the budget for the Program Contact's salary. Together these parts equal the \$13,680 allocated to the CACFP.

The respective % Allocated to CACFP is 25% and 13% on the Operating and Administrative rows respectively of the Labor and Benefits Costs category in the Budget Detail. If an organization does not intend to use meal reimbursements for administrative costs, the Projected % of CACFP Reimbursement column should read 0 (ZERO).

CONTACT INFORMATION

Nutrition Services Division Contacts		
Tamika Boone	Nutrition Services Director	404-656-6292
Sonja Adams	Nutrition Senior Manager	404-463-2566
Leslie Truman	Nutrition Administrative Assistant CACFP Registration and DCH Updates	404-657-1779
Tammie Baldwin	Policy and Adverse Specialist	404-656-6332
Melissa Stanley	Policy Administrator	678-766-2293
Grushan Blake	Training Manager	404- 651-7426
Julie Edwards	Technical Assistance Coordinator-East Region	404-796-1205
Leatha Bryant	Technical Assistance Coordinator- SW Region	404-782-7287
Rhonda Kelly	Technical Assistance Coordinator-North/Northwest	470-859-9376
Lakisha Robinson	Technical Assistance Coordinator SE Region	478-314-2806
Emilia Emmanuel	Technical Assistance Coordinator-Metro/West Region	678-337-9759
Nkem Ijeh	Nutrition Training and Development Specialist	404-973-4099
Demetria Thornton	Application Services Manager	404-463-2182
Jerald Savage	Application Services Specialist #0-G	770-405-7916
Shericka Blount	Application Services Coordinator H-P	404-656-6411
Vanessa Goodman	Application Services Specialist Q-Z	404-591-6027
Lavesia Ervin	Business Operations Specialist #0-G	404-293-5258
Dylan Uhler	Business Operations Specialist H-P	404-591-5813
Joveta Watson	Business Operations Specialist Q-Z	706-434-6831
Kristy Lanier	Budget Compliance Specialist #0-M	770-359-4401
Gwendolyn Howard	Budget Compliance Supervisor N-Z & Combo Sponsors	404-651-7191
Tempest Harris	Procurement and Purchasing Compliance Specialist	678-444-1794
Monica Griffin	Nutrition & Physical Activity Supervisor	470-464-6864
Morgan Chapman	Nutrition Education Specialist	404-977-2257
Tina McLaren	Physical Activity Specialist	678-337-0977
Cindy Kicklighter	Marketing and Outreach Manager	404-656-3221
Joann Kilpatrick	Marketing and Outreach Specialist	470-259-3544

All email addresses are firstname.lastname@dec.al.ga.gov

APPENDIX H

Related Party – Less Than Arm’s Length Transaction Disclosure Form

A related party is a person, place, or thing related to or closely held by another person, place, or thing. A transaction between the two is a less than arm’s length transaction. Federal regulations require that related party transactions be disclosed when federal funds are planned for the execution of such transactions. Failure to disclose these relationships inhibits the State agency’s ability to make informed decisions regarding the allowability of the costs. According to SFSP Application Instruction Booklet this will result in the disallowance of the cost and may subject the institution, its principals, employees, consultants, or others to the administrative and legal remedies available to the State agency and FNS.

This form must be used to disclose all transactions with related parties and accompanied with the [Specific Prior Written Approval form](#). Load both forms in ATLAS under the Attachment List.

In the following section, name all principals of the organization, who have relationships with a person, business, and/or facility who will be paid by the named organization, with SFSP and/or CACFP funds. Leaders are considered those with organizational decision making and/or financial authority. Use additional lines as needed. Define the title, initial, and name the principal party. Disclose other identifying information that would clarify the relationship and inherent financial interest.

Principals

Delegated Principal (DP) _____
Board Chairperson (BC) _____
Board Member (BM1) _____
Board Member (BM2) _____
Board Member (BM3) _____

Title (Initials)	Name
_____	_____
Title (Initials)	Name
_____	_____
Title (Initials)	Name
_____	_____

When personnel, facilities, or contracts, are planned to be paid with SFSP meal reimbursement AND a financial or personal interest exist, with any of the above named, complete the *Related Party – Less Than Arm’s Length Transaction Disclosure Form* using the following additional instructions.

- 1) In Cost Category/Budget Line-Item column, list the **Cost Category** where the SFSP/CACFP cost will be projected.
- 2) In the second column name the **Person(s), Place (Address) or Thing** that will be included in that cost category. List people or companies by **Name** and **Function**. List facilities by **Address** and **Usage**.
- 3) Link the person/place/thing in column 2, with the **Principal** named above, using the initial to the left of the named.
- 4) Identify the **Relationship** between the person, place, or thing and the principal.
- 5) Include the total **Projected Cost** for the period. (*Do NOT allocate for CACFP/SFSP*)

APPENDIX H

Related Party – Less Than Arm’s Length Transaction Disclosure Form

EXAMPLE

Organization Name (ON) Early Start Early Learning, LLC Agreement Number X0334

Principals

Delegated Principal (DP) Bright Young

Board Chairperson (BC) Ledger Balance

Board Member (BM1) Earl Startlings

Board Member (BM2) _____

Board Member (BM3) _____

Principal of Holding Firm (HF) Theo Ands
 Title (Initials) _____ Name

 Title (Initials) _____ Name

Leader Examples:

(BM1) Bright Startlings

(DP) Demont Caring

(BC) Ledger Balance

(HF) Theo Ands

Cost Category/Budget Line Item	Person, Place (Address), or Thing/Function or Usage	Principal	Relationship	PROJECTED COST (ANNUAL)	Internal Use Only
Food Service Labor and	Earlie Startlings/Cook	BMI	Spouse/Wife	\$35,000	
Space Cost/Rental/Lease	123 LearningBoulevard Atlanta, GA/	DP	Owner of Property	\$2,000	
Contracted/Professional Services	The CPC Firm, LLC/Accountant	BC	Partner in CPA Firm	\$5,000	
Salaries and Benefits	Theadora Ands/Program Contact	HF	Daughter	\$40,000	

I certify that the information I have provided above is complete, true, and correct.

Demont Caring _____ Owner/Delegated Principal
 Signature Title

September 30, 2015
 Date

Related Party – Less Than Arm’s Length Transaction Disclosure Form

Organization Name (ON) _____ Agreement Number _____

Principals

Delegated Principal (DP)

Board Chairperson (BC)

Board Member (BM1)

Board Member (BM2)

Board Member (BM3)

Title (Initials) _____ Name _____

Title (Initials) _____ Name _____

Cost Category/Budget Line Item	Person, Place, Thing/Function or Usage	Principal	Relationship	PROJECTED COST (ANNUAL)	Internal Use Only

Mail to: Bright from the Start: Department of Early Care and Learning Fax or Email to: (770)342-3156 Budget Compliance Team
 Attn: Budget Team NutritionBudget@dec.al.ga.gov
 2 Martin Luther King Jr. Drive SW - 754 East Tower, Suite 754 (404) 651-7191
 Atlanta, GA 30334

I certify that the information I have provided above is complete, true, and correct.

Signature

Title

Date

FOR DECAL USE ONLY:

DECAL Official:

Date: