

OSPI CNS Child and Adult Care Food Program (CACFP) Reference Sheet

Allowable Costs

Child and Adult Care Food Program (CACFP) operators are reimbursed through OSPI with funds from the U.S. Department of Agriculture (USDA). Receiving public funds means program operators are responsible to follow ethical business and purchasing practices set by CACFP regulations. All food program reimbursements must be used for allowable costs.

Requirements

- ✓ No more than 15% of reimbursements may be spent on administrative expenses.
- ✓ Costs funded from CACFP reimbursements **must** be necessary, reasonable, and allowable.
 - Allowable expenses can be attributed to operational expenses and administrative expenses.
 - Allowable costs must be allocated so that **only** the allowable share of the costs is assigned to the CACFP. These costs may be direct or indirect.
 - In all cases, allowable costs must receive **prior** approval through the budget approval process.
 - Some costs may require prior written approval and cost comparisons.
- ✓ Costs must be properly documented, disclosed, procured, and included in the approved CACFP budget.
 - Expenses are audited for compliance. Through monitoring and administrative reviews
 - All food service program costs must be accounted through the consistent use of *Generally Accepted Accounting Principles (GAAP)*.
 - Costs not properly documented, disclosed, procured, or not included in the approved CACFP budget are unallowable.
- ✓ Unallowable costs cannot be funded with CACFP funds, and must be accounted for separately from CACFP accounts
- ✓ Any revenue exceeding expenses must be used to maintain, expand, or improve food service for participants.



Best Practices

- ✓ It is recommended that at least 50% of reimbursement be spend on quality food purchases.
- ✓ Maintain documentation for all purchases, disbursements, personnel activity.
- ✓ Document a monthly profit or loss summary.
- ✓ Pay for unallowable purchase separately from CACFP costs.

Reference

- [FNS Instruction 796-2, Rev. 4](#)
- [Guidance for Management Plans and Budgets CACFP Program Handbook](#)

Resources

- Budget Reference Sheet **(coming soon)**
- Administrative Expense Worksheet **(coming soon)**
- Operational Expense Worksheet **(coming soon)**

Acronym Reference

- CNS - Child Nutrition Services
- CACFP – Child and Adult Care Food Program
- GAAP- Generally Accepted Accounting Principles
- OSPI - Office of Superintendent of Public Instruction
- USDA - United States Department of Agriculture