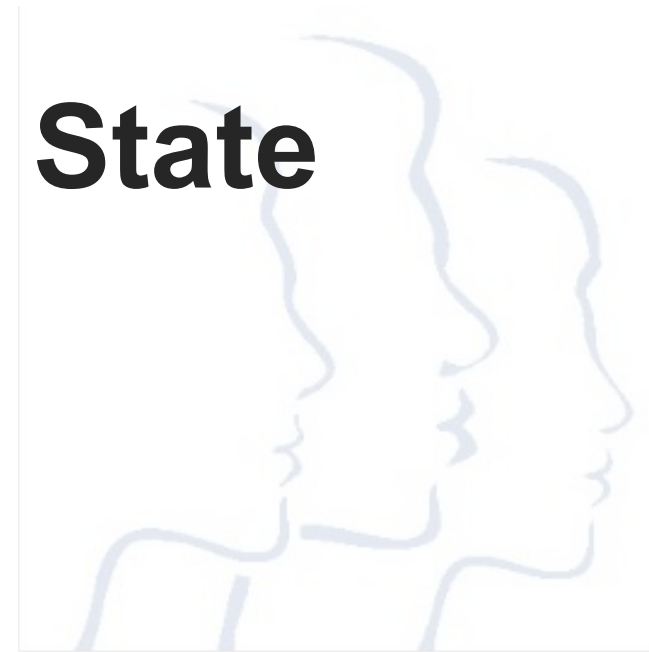




Administrative Budget Review and Analysis: Unused Federal Administrative Payments and State Meal Reimbursement

CACFP ROUNDTABLE POP-UP PLANNING MEETING

JANUARY 27, 2022



Purpose

- Discuss:
 - The data used to analyze the day care home (DCH) sponsor administrative budget, and how the DCH analyst reviews and approves the DCH sponsor administrative budget
 - Unused federal administrative payments (UFAP), state meal reimbursement (SMR), and how to maximize the benefit of federal and state administrative reimbursement

Purpose

- Provide a comprehensive overview of the preparation and development of an annual DCH sponsor administrative budget and apply federal and state administrative reimbursement to CACFP costs in compliance with federal instruction, including:
 - How SMR and UFAP are calculated and applied to maximize the administrative funds available for a DCH sponsor's CACFP, and
 - How to request for specific prior written approval for budget revisions.

DCH Sponsor Administrative Budget Worksheet

- Each year, the DCH sponsor completes and submits a DCH sponsor administrative budget during annual updates (AU).
- To develop a sound DCH sponsor administrative budget, a DCH sponsor should:
 - Estimate federal and state administrative reimbursement based on:
 - The number of DCHs claimed for reimbursement each month during the current program year (PY), and
 - Total breakfasts and lunches served each month during the current PY.

DCH Sponsor Administrative Budget Worksheet – Federal Reimbursement

- Each month, DCH sponsors receive:
 - Federal administrative reimbursement for allowable CACFP costs:
 - Federal administrative reimbursement is based on rates x homes.
PY 2021-22 DCH federal administrative rates are:
 - \$126 per DCH claimed for reimbursement each month for the first 50 DCHs;
 - \$96 per DCH claimed for reimbursement each month for the next 150 DCHs;
 - \$75 per DCH claimed for reimbursement each month for the next 800 DCHs; and
 - \$66 per DCH claimed for reimbursement each month after 1,000 DCHs.

DCH Sponsor Administrative Budget Worksheet – Federal Reimbursement

- Federal meal reimbursement are distributed to sponsored DCHs for meals/snacks served to CACFP participants, based on tier eligibility:
 - PY 2021-22 Tier I reimbursement rate for:
 - Breakfast is \$1.40,
 - Lunch/supper is \$2.63, and
 - Snack are \$0.78
 - PY 2021-22 Tier II reimbursement rate for:
 - Breakfast is \$0.51,
 - Lunch/supper is \$1.59, and
 - Snacks are \$0.21

DCH Sponsor Administrative Budget Worksheet

- Review:
 - Actual cost quarterly reports (ACQRs) reported in the CNIPS (Applications tab>ACQR link) during the current PY, and
 - The DCH sponsor administrative budget approved for the current PY in the CNIPS.
- Adjust the currently approved DCH sponsor administrative budget to account for anticipated increases/decreases in CACFP costs expected for the upcoming PY.

DCH Sponsor Administrative Budget Worksheet

- Complete the DCH sponsor administrative budget according to instruction included in the DCH Sponsor Administrative Budget Worksheet.
- Submit the DCH sponsor administrative budget to the DCH analyst for review and approval.

| DCH Sponsor Name | Vendor Number | CNIPS ID |
|------------------|---------------|----------|
| | | |

Day Care Home (DCH) Sponsor Administrative Budget Worksheet

In preparation for the Child and Adult Care Food Program (CACFP) annual update (AU) of DCH sponsor administrative budget, please complete the DCH Administrative Budget worksheet, below.

Please note: Documentation to support the reasonableness of the CACFP costs included in this DCH sponsor administrative budget may be required for approval. Please see Appendix A – Supporting Documentation, at the end of this worksheet.

Employee Wages and Taxes

Using your agency's actual employee wages and taxes costs from the most recently completed PY, please estimate your agency's CACFP employee wages and taxes costs for the upcoming PY, below; and submit copies of your agency's records identifying the actual CACFP employee wages and taxes costs used to base the estimates listed below.

| Selected Item of Cost | Total Cost | Cost Allocation (%) | CACFP Cost |
|---|------------|---------------------|------------|
| Salaries and wages: | | | |
| Taxes: | | | |
| Overtime compensation, holiday pay, and compensatory leave: | | | |
| Incentive payments and awards: | | | |
| Severance pay: | | | |
| Deferred compensation: | | | |
| Total: | | | |

Fringe Benefits

Using your agency's actual fringe benefits costs from the most recently completed PY, please estimate your agency's CACFP fringe benefits costs for the upcoming PY, below; and submit copies of your agency's records identifying the actual CACFP fringe benefits costs used to base the estimates listed below.

| Selected Item of Cost | Total Cost | Cost Allocation (%) | CACFP Cost |
|--------------------------------|------------|---------------------|------------|
| Health benefits: | | | |
| Life and disability insurance: | | | |
| Vacation leave: | | | |
| Sick leave: | | | |
| Military leave: | | | |
| Paid non-work holidays: | | | |
| 401(K): | | | |
| Total: | | | |

DCH Sponsor Administrative Budget Spreadsheet

- While the DCH sponsor completes the DCH Sponsor Administrative Budget Worksheet for submission, the DCH analyst prepares the DCH Sponsor Administrative Budget Spreadsheet to calculate annual CACFP reimbursement and income estimates using:
 - DCH sponsor claims history from the current PY
 - Number of homes claimed for reimbursement,
 - Breakfasts and lunches served for reimbursement,
 - Actual CACFP costs, and
 - Federal administrative reimbursement.

DCH Sponsor Administrative Budget Spreadsheet

- For example, during AU for PY 2021-22, the DCH analyst collected the following monthly claim history from PY 2020-21:
 - The number of homes claimed for reimbursement,
 - The number of breakfasts and lunches served,
 - Actual monthly CACFP costs, and
 - Federal administrative reimbursement received each month.

DCH Sponsor Administrative Budget Spreadsheet

- The DCH analyst entered the monthly claim history data from PY 2020-21 into the DCH Sponsor Administrative Budget Spreadsheet.
- Since the AU for PY 2021-22 took place during PY 2020-21, PY 2020-21 claim history data was incomplete; so
- The DCH Sponsor Administrative Budget Spreadsheet calculated monthly averages based on the available PY 2020-21 claim history data and converted those monthly averages to annual estimates to refer to when the DCH analyst reviewed the PY 2021-22 DCH sponsor administrative budget for approval.

DCH Sponsor Administrative Budget Spreadsheet - ACQRs

- The DCH sponsor should review and compare its federal and state administrative reimbursement and income to its total CACFP costs at some frequency (at least once per quarter) to ensure that it does not have an excessive balance in its CACFP account (excess funds).
- As required by the Food and Nutrition Services Instruction 796-2, Revision 4, the state agency must “determine what constitutes an excessive nonprofit food service program balance.”
 - The state agency uses the same definition as the SNPs to define excess funds for the CACFP—an amount that exceeds three months’ average CACFP cost.

DCH Sponsor Administrative Budget Spreadsheet - ACQRs

- To demonstrate compliance with this requirement, DCH Sponsors should submit ACQRs in the CNIPS each quarter with claims for reimbursement:
 - 1st quarter due: March 01
 - 2nd quarter due: May 30
 - 3rd quarter due: August 29
 - 4th quarter due: November 29



DCH Sponsor Administrative Budget Spreadsheet - ACQRs

- Similar to the claim history data, the DCH analyst:
 - Collected ACQRs from the CNIPS submitted in the CNIPS, and
 - Entered the ACQRs from PY 2020-21 into the DCH Sponsor Administrative Budget Spreadsheet.
- The DCH Sponsor Administrative Budget Spreadsheet calculated monthly averages based on the 4th quarter of PY 2019-20; and 1st, 2nd, and 3rd quarters of PY 2020-21 ACQRs and converted those monthly averages to annual estimates to refer to when the DCH analyst reviewed the PY 2021-22 DCH sponsor administrative budget for approval.

DCH Sponsor Administrative Budget Spreadsheet - SMR

- DCHs are entitled to \$0.1853 for 75 percent of the total breakfasts and lunches served for reimbursement.
- Annual SMR estimates are based on:
 - Total breakfasts and lunches served for reimbursement, as reported in the CNIPS; averaged monthly, and converted to an annual amount.
 - DCH factor: 75 percent of total breakfasts and lunches served
 - SMR rate: \$0.1853 per breakfast or lunch served

DCH Sponsor Administrative Budget Spreadsheet – Retained SMR

- DCH sponsors may retain up to 30 percent of the SMR as state administrative reimbursement.
- Please note: SMR is calculated in the CNIPS as follows:
 - Total breakfasts served for reimbursement x 75 percent and rounded up to represent a whole meal (+)
 - Total lunches served for reimbursement x 75 percent and rounded up to represent a whole meal
 - (=) 75 percent of total breakfasts and lunches served for reimbursement

DCH Sponsor Administrative Budget Spreadsheet – Retained SMR

- 75 percent of total breakfasts and lunches served for reimbursement (x)
- \$0.1853 SMR rate
 - (=) SMR
- Estimated state administrative reimbursement is calculated as follows:
 - SMR (x)
 - 30 percent state administrative reimbursement rate
 - (=) State administrative reimbursement (retained SMR)

DCH Sponsor Administrative Budget Spreadsheet – Retained SMR

- For example, during PY 2022-21, a DCH sponsor claimed a monthly average of:
 - 55,000 Tier I breakfasts, and 104,044 Tier I lunches;
 - 67 Tier II High breakfasts, and 287 Tier II High lunches; and
 - 2,211 Tier II Low breakfasts, and 3,389 Tier II Low lunches.

DCH Sponsor Administrative Budget Spreadsheet – Retained SMR

- 687,353 breakfasts (x) 75 percent and rounded up to represent a whole meal
 - (=) 515,500 breakfasts
- 1,292,640 lunches (x) 75 percent and rounded up to represent a whole meal
 - (=) 969,480 lunches
- 515,500 breakfasts (+) 969,480 lunches
 - (=) 1,484,980 total breakfasts and lunches

DCH Sponsor Administrative Budget Spreadsheet – Retained SMR

- 1,484,980 total breakfasts and lunches (x) \$0.1853
 - (=) \$206,375 SMR
- \$275,167 SMR (x) 30 percent state administrative reimbursement rate
 - (=) \$82,550 estimated annual retained SMR
- This DCH sponsor may expect an estimated \$82,550 in annual retained SMR, or
 - \$82,550 estimated annual retained SMR (/) 12 months
 - (=) \$6,879 estimated monthly retained SMR

DCH Sponsor Administrative Budget Spreadsheet – Retained SMR

| CACFP Income and Reimbursement | | | | | |
|---|-----------|---------------|--|-----------------------------|--------------|
| Federal Administrative Reimbursement | | | Unused Federal Administrative Payments | | |
| DCHs sponsored per month: | | | 775 | Carryover from Previous PY: | \$75,000.00 |
| | | | | Admin. Reimbursement: | 744,400.00 |
| Homes | Rates | Reimbursement | | Total CACFP Costs: | 749,066.67 |
| 50 | \$126 | \$6,300 | | Unused Fed. Admin. Pmts.: | \$70,333.33 |
| 150 | 96 | 14,400.00 | | | |
| 575 | 75 | 43,125.00 | | Carryover: | \$70,333.33 |
| 0 | 66 | 0.00 | | Return: | \$0.00 |
| Monthly Fed. Admin. Reimb. | | \$63,825 | | | |
| Number of months: | | 12 | | Audit Cost Reimbursement: | Not eligible |
| Annual Fed. Admin. Reimb.: | | \$765,900 | | | |
| State Meal Administrative Reimbursement | | | Outside Source Funds | | |
| | | | Description | Amount | |
| | Breakfast | Lunch | | | |
| Tier I | 660,000 | 1,248,533 | | | |
| Tier II High | 800 | 3,440 | | | |
| Tier II Low | 26,533 | 40,667 | | | |
| | 515,500 | 969,480 | | | |
| Reimbursement rate: | | \$0.1853 | | Total: | |
| Retained SMR: | 30.00% | \$82,550 | Tot. CACFP Admin. Reimb.: | \$848,450 | |

DCH Sponsor Administrative Budget Spreadsheet – Reporting Retained SMR

- DCH sponsors must report the amount of:
 - Retained SMR in item number 6 on the Claim Cost Detail screen in the CNIPS. ***Do not*** report SMR issued to DCHs.
 - Documentation of the use of SMR must be retained for audit purposes.
 - Government monies (i.e., federal, state, and local, ***excluding*** CACFP federal reimbursement) in item number 7 on the Claim Cost Detail screen in the CNIPS.

For more information regarding how to report retained SMR or ECR, please refer to the CACFP Reimbursement Instruction Booklet, page 29; or contact the assigned CACFP claims specialist.

DCH Sponsor Administrative Budget Spreadsheet – Allowable Costs: Retained SMR

- DCH sponsors may use retained SMR to support administrative costs limited to the DCH sponsor's allowable expenses for planning, organizing and managing a CACFP.
- Examples of administrative costs that may be supported by retained SMR include salaries, wages, fringe benefits, etc. to accomplish the following:
 - Reviewing and submitting facility applications to the State agency for CACFP participation approval;
 - Reviewing and approving income eligibility statements;

DCH Sponsor Administrative Budget Spreadsheet – Allowable Costs: Retained SMR

- Providing nutrition education to food service staff;
 - Providing CACFP training for institution staff and facilities; and
 - Conducting CACFP monitoring and training visits to sponsored facilities.
-
- DCH sponsors may contact their assigned DCH analyst to discuss additional examples of administrative costs that may be supported by retained SMR.

DCH Sponsor Administrative Budget Spreadsheet - UFAP

- DCH sponsors may carryover up to 10 percent of the federal administrative reimbursement received during the current PY, into the upcoming PY.
- UFAP carryover must be spent on a first-in, first-out basis.
- DCH sponsors must return any UFAP in excess of 10 percent of the federal administrative reimbursement received during the previous PY to the state agency by December 10.

DCH Sponsor Administrative Budget Spreadsheet - UFAP

- UFAP estimates are based on:
 - UFAP carryover from the previous PY,
 - Federal administrative reimbursement (rates x homes), as reported in the CNIPS, and
 - Total CACFP costs, as reported in the CNIPS.

DCH Sponsor Administrative Budget Spreadsheet - UFAP

- For example, using the monthly claim history data from PY 2020-21 entered into the DCH Sponsor Administrative Budget Spreadsheet:
 - The DCH Sponsor Administrative Budget Spreadsheet calculated monthly averages based on the available PY 2020-21 claim history data, and
 - Converted those monthly averages to annual estimates to refer to when the DCH analyst reviewed the PY 2021-22 DCH sponsor administrative budget for approval.

DCH Sponsor Administrative Budget Spreadsheet - UFAP

- If the DCH Sponsor Administrative Budget Spreadsheet calculates that the DCH sponsor may estimate the following annual amounts:
 - \$744,400 in federal administrative reimbursement,
 - \$749,067 in total CACFP costs, with
 - \$75,000 in UFAP from PY 2019-20, then
 - \$75,000 UFAP carryover from PY 2019-20 (+)
 - \$744,400 estimated annual federal administrative reimbursement
 - (=) \$819,400 estimated total annual federal administrative reimbursement

DCH Sponsor Administrative Budget Spreadsheet - UFAP

- \$819,400 estimated total annual federal administrative reimbursement (-) \$749,067 total CACFP costs
 - (=) \$70,333 UFAP
- \$744,400 estimated annual federal administrative reimbursement received during PY 2020-21 (x) 10 percent maximum UFAP carryover
 - (=) \$74,440 estimated maximum UFAP carryover

DCH Sponsor Administrative Budget Spreadsheet – UFAP

- \$70,333 UFAP < \$74,440 estimated maximum UFAP carryover, so the DCH sponsor may expect to carryover 100 percent of UFAP to PY 2020-21.

| CACFP Income and Reimbursement | | | | | |
|--|-----------|---------------|---|-----------------------------|-------------|
| Federal Administrative Reimbursement | | | Unused Federal Administrative Payments | | |
| DCHs sponsored per month: | | | 775 | Carryover from Previous PY: | \$75,000.00 |
| | | | | Admin. Reimbursement: | 744,400.00 |
| Homes | Rates | Reimbursement | | Total CACFP Costs: | 749,066.67 |
| 50 | \$126 | \$6,300 | | Unused Fed. Admin. Pmts.: | \$70,333.33 |
| 150 | 96 | 14,400.00 | | | |
| 575 | 75 | 43,125.00 | | Carryover: | \$70,333.33 |
| 0 | 66 | 0.00 | | Return: | \$0.00 |
| Monthly Fed. Admin. Reimb. | | \$63,825 | | | |
| Number of months: | | 12 | Audit Cost Reimbursement: | Not eligible | |
| Annual Fed. Admin. Reimb.: | | \$765,900 | | | |
| State Meal Administrative Reimbursement | | | Outside Source Funds | | |
| | | | Description | Amount | |
| | Breakfast | Lunch | | | |
| Tier I | 660,000 | 1,248,533 | | | |
| Tier II High | 800 | 3,440 | | | |
| Tier II Low | 26,533 | 40,667 | | | |
| | 515,500 | 969,480 | | Total: | |
| Reimbursement rate: | | \$0.1853 | | | |
| Retained SMR: | 30.00% | \$82,550 | Tot. CACFP Admin. Reimb.: | \$848,450 | |

DCH Sponsor Administrative Budget Spreadsheet – Outside Source Funds

- The Outside Source Funds Worksheet is distributed and collected with the DCH Sponsor Administrative Budget worksheet during AU.
- DCH sponsors should complete and submit the Outside Source Funds worksheet if they plan to use outside source funds to support their CACFP.

[illegible]

CACFP Reimbursement and Income – SMR vs. UFAP Analysis

- SMR and UFAP estimates are calculated in the DCH Sponsor Administrative Budget spreadsheet, available for review in the DCH Budget section of the CACFP Application Packet in the CNIPS
- Please note: Maximizing the benefit of retained SMR will eliminate UFAP carryover.

| CACFP Income and Reimbursement | | | | |
|---|-----------|---------------|--|--------------|
| Federal Administrative Reimbursement | | | Unused Federal Administrative Payments | |
| DCHs sponsored per month: | 775 | | Carryover from Previous PY: | \$75,000.00 |
| | | | Admin. Reimbursement: | 744,400.00 |
| Homes | Rates | Reimbursement | Total CACFP Costs: | 749,066.67 |
| 50 | \$126 | \$6,300 | Unused Fed. Admin. Pmts.: | \$70,333.33 |
| 150 | 96 | 14,400.00 | | |
| 575 | 75 | 43,125.00 | Carryover: | \$70,333.33 |
| 0 | 66 | 0.00 | Return: | \$0.00 |
| Monthly Fed. Admin. Reimb. | | \$63,825 | | |
| Number of months: | 12 | | Audit Cost Reimbursement: | Not eligible |
| Annual Fed. Admin. Reimb.: | | \$765,900 | | |
| State Meal Administrative Reimbursement | | | Outside Source Funds | |
| | Breakfast | Lunch | Description | Amount |
| Tier I | 660,000 | 1,248,533 | | |
| Tier II High | 800 | 3,440 | | |
| Tier II Low | 26,533 | 40,667 | | |
| | 515,500 | 969,480 | | |
| Reimbursement rate: | | \$0.1853 | Total: | |
| Retained SMR: | 30.00% | \$82,550 | Tot. CACFP Admin. Reimb.: | \$848,450 |

- This DCH sponsor may expect:
 - \$765,900 annually, or \$63,825 monthly in federal administrative reimbursement.
 - \$82,550 annually, or \$6,879 monthly in retained SMR.
 - To spend up to \$70,704 on monthly CACFP costs by retaining 30 percent of the SMR.

| CACFP Income and Reimbursement | | | |
|---|-----------|---------------|---|
| Federal Administrative Reimbursement | | | Unused Federal Administrative Payments |
| DCHs sponsored per month: | | 775 | Carryover from Previous PY: \$75,000.00 |
| Homes | Rates | Reimbursement | Admin. Reimbursement: 744,400.00 |
| 50 | \$126 | \$6,300 | Total CACFP Costs: 749,066.67 |
| 150 | 96 | 14,400.00 | Unused Fed. Admin. Pmts.: 70,333.33 |
| 575 | 75 | 43,125.00 | Carryover: 70,333.33 |
| 0 | 66 | 0.00 | Return: 0.00 |
| Monthly Fed. Admin. Reimb. | | \$63,825 | Audit Cost Reimbursement: Not eligible |
| Number of months: | | 12 | Outside Source Funds |
| Annual Fed. Admin. Reimb.: | | 765,900 | Description |
| | | | Amount |
| State Meal Administrative Reimbursement | | | |
| | Breakfast | Lunch | |
| Tier I | 660,000 | 1,248,533 | |
| Tier II High | 800 | 3,440 | |
| Tier II Low | 26,533 | 40,667 | |
| | 515,500 | 969,480 | |
| Reimbursement rate: | | 0.1853 | Total: |
| Retained SMR: | 30.00% | 82,550 | Tot. CACFP Admin. Reimb.: 848,450 |

- **OR** this DCH sponsor may expect:

- | CACFP Income and Reimbursement | | | | |
|---|-----------|---------------|--|--------------|
| Federal Administrative Reimbursement | | | Unused Federal Administrative Payments | |
| DCHs sponsored per month: | | | 775 | |
| Homes | Rates | Reimbursement | Carryover from Previous PY: | \$75,000.00 |
| 50 | \$126 | \$6,300 | Admin. Reimbursement: | 744,400.00 |
| 150 | 96 | 14,400.00 | Total CACFP Costs: | 749,066.67 |
| 575 | 75 | 43,125.00 | Unused Fed. Admin. Pmts.: | \$70,333.33 |
| 0 | 66 | 0.00 | Carryover: | \$70,333.33 |
| Monthly Fed. Admin. Reimb. | | \$63,825 | Return: | \$0.00 |
| Number of months: | | 12 | Audit Cost Reimbursement: | Not eligible |
| Annual Fed. Admin. Reimb.: | | \$765,900 | | |
| State Meal Administrative Reimbursement | | | Outside Source Funds | |
| | Breakfast | Lunch | Description | Amount |
| Tier I | 660,000 | 1,248,533 | | |
| Tier II High | 800 | 3,440 | | |
| Tier II Low | 26,533 | 40,667 | | |
| | 515,500 | 969,480 | | |
| Reimbursement rate: | | \$0.1853 | Total: | |
| Retained SMR: | 30.00% | \$82,550 | Tot. CACFP Admin. Reimb.: | \$848,450 |

CACFP Reimbursement and Income – SMR vs. UFAP Analysis

- If this DCH sponsor maximizes the benefit of retained SMR by spending \$70,704 on CACFP costs each month:
 - Total CACFP costs will exceed federal administrative reimbursement, and
 - UFAP carryover is eliminated.

| CACFP Income and Reimbursement | | | | |
|---|-----------|---------------|--|--------------|
| Federal Administrative Reimbursement | | | Unused Federal Administrative Payments | |
| DCHs sponsored per month: | 775 | | Carryover from Previous PY: | \$75,000.00 |
| | | | Admin. Reimbursement: | 744,400.00 |
| | | | Total CACFP Costs: | 749,066.67 |
| | | | Unused Fed. Admin. Pmts.: | \$70,333.33 |
| | | | Carryover: | \$70,333.33 |
| | | | Return: | \$0.00 |
| Homes | Rates | Reimbursement | | |
| 50 | \$126 | \$6,300 | | |
| 150 | 96 | 14,400.00 | | |
| 575 | 75 | 43,125.00 | | |
| 0 | 66 | 0.00 | | |
| Monthly Fed. Admin. Reimb. | | \$63,825 | | |
| Number of months: | | 12 | | |
| Annual Fed. Admin. Reimb.: | | \$765,900 | | |
| | | | Audit Cost Reimbursement: | Not eligible |
| State Meal Administrative Reimbursement | | | Outside Source Funds | |
| | | | Description | Amount |
| | Breakfast | Lunch | | |
| Tier I | 660,000 | 1,248,533 | | |
| Tier II High | 800 | 3,440 | | |
| Tier II Low | 26,533 | 40,667 | | |
| | 515,500 | 969,480 | | |
| Reimbursement rate: | | \$0.1853 | Total: | |
| Retained SMR: | 30.00% | \$82,550 | Tot. CACFP Admin. Reimb.: | \$848,450 |

- This DCH sponsor will have access to \$1,018 more each month for allowable CACFP costs by retaining 30 percent of the SMR.
- The DCH Sponsor Administrative Budget Spreadsheet calculates the option that maximizes the total CACFP spending for DCH sponsors.

| CACFP Income and Reimbursement | | | |
|---|-----------|---------------|--|
| Federal Administrative Reimbursement | | | Unused Federal Administrative Payments |
| DCHs sponsored per month: | | 775 | Carryover from Previous PY: |
| | | | \$75,000.00 |
| | | | Admin. Reimbursement: |
| | | | 744,400.00 |
| Homes | Rates | Reimbursement | Total CACFP Costs: |
| 50 | \$126 | \$6,300 | 749,066.67 |
| 150 | 96 | 14,400.00 | Unused Fed. Admin. Pmts.: |
| 575 | 75 | 43,125.00 | \$70,333.33 |
| 0 | 66 | 0.00 | Carryover: |
| Monthly Fed. Admin. Reimb. | | \$63,825 | \$70,333.33 |
| Number of months: | | 12 | Return: |
| Annual Fed. Admin. Reimb.: | | \$765,900 | \$0.00 |
| State Meal Administrative Reimbursement | | | Audit Cost Reimbursement: |
| | | | Not eligible |
| | | | Outside Source Funds |
| | | | Description |
| | | | Amount |
| | Breakfast | Lunch | |
| Tier I | 660,000 | 1,248,533 | |
| Tier II High | 800 | 3,440 | |
| Tier II Low | 26,533 | 40,667 | |
| | 515,500 | 969,480 | |
| Reimbursement rate: | | \$0.1853 | Total: |
| Retained SMR: | 30.00% | \$82,550 | Tot. CACFP Admin. Reimb.: |
| | | | \$848,450 |

SMR vs. UFAP

- For PY 2020-21:
 - The total UFAP was \$961,295.
 - Total UFAP carryover was \$812,911.
 - 60 percent (26 of 44) DCH sponsors had UFAP from the previous PY.
 - Average UFAP carryover was \$18,475.
 - 46% (12 of 26) of those DCH sponsors returned UFAP in excess of 10 percent to the state agency.
 - Average excess UFAP returned to the agency was \$3,372.

SMR vs. UFAP, Conclusions

- Almost one million dollars of federal administrative reimbursement went unused by 60 percent of all the DCH sponsors.
- 15 percent (or \$148,384) of that UFAP was returned to the state agency by 27 percent of all DCH sponsors.
- The retention of SMR is based on administrative need. This data indicates that 60 percent of all DCH sponsors do not show an administrative need for retaining SMR for allowable CACFP costs.
- To demonstrate administrative need, DCH sponsors should increase allowable CACFP spending to meet the total amount of federal and state administrative reimbursement available to its CACFP each month.

Strategy to Maximize Allowable CACFP Spending

- Track monthly federal administrative reimbursement, monthly breakfast and lunch totals, and allowable CACFP costs.
- Calculate state administrative reimbursement based on a 30% retention rate of the SMR.
- Determine a level of allowable CACFP spending that maximizes the benefit to retaining 30 percent of the SMR.
- Refer to FNS 796-2, Revision 4, for allowable CACFP costs.
- Develop a DCH sponsor administrative budget that maximizes the benefit to retaining 30 percent of the SMR.

Other Strategies for SMR

- In order to attract CACFP participation and maximize the benefit of SMR for DCHs, DCH sponsors that expect UFAP may:
 - Retain less than 30 percent of the SMR and distribute 70 percent of the SMR to DCHs, or
 - Distribute 100 percent of the SMR to DCHs.

DCH Sponsor Administrative Budget Spreadsheet – Review and Analysis

- When the DCH sponsor submits the DCH Sponsor Administrative Budget Worksheet, the DCH analyst:
 - Reviews the CACFP costs included in the submitted DCH sponsor administrative budget for allowability and reasonableness of cost. Please note: Documentation may be requested by the DCH analyst to support the reasonableness of CACFP costs included in the DCH sponsor administrative budget.
 - Enters federal administrative, meal reimbursement, and CACFP costs totals as reported in the CNIPS, into the DCH sponsor administrative budget spreadsheet.

DCH Sponsor Administrative Budget Spreadsheet – Review and Analysis

- Enters information from the reimbursement and income, and DCH Sponsor Administrative Budget worksheets into the DCH Sponsor Administrative Budget Spreadsheet
- Contacts the DCH sponsor for more information, as necessary

[illegible]

DCH Sponsor Administrative Budget Spreadsheet – Review and Analysis

- When the CACFP costs included in the DCH sponsor administrative budget are determined allowable and reasonable in cost, the DCH analyst:
 - Enters the DCH sponsor administrative budget into the CNIPS.
 - Uploads the DCH Sponsor Administrative Budget spreadsheet and worksheet, and documentation to support the reasonableness of the CACFP costs included in the DCH sponsor administrative budget.
 - Notifies the DCH sponsor that the DCH sponsor administrative budget is approved in the CNIPS, and the effective date of the approval of the DCH sponsor administrative budget.

DCH Sponsor Administrative Budget Revision (Request for Specific Prior Written Approval)

- The DCH sponsor initiates the DCH sponsor administrative budget revision process when it submits a Request for Specific Prior Written Approval Worksheet to the DCH analyst.
- The DCH sponsor may submit a Request for Specific Prior Written Approval Worksheet when the DCH sponsor:
 - Recognizes the need to increase previously approved CACFP cost spending thresholds, and/or
 - Expects to incur new allowable CACFP cost(s).

Request for Specific Prior Written Approval

- To complete the Request for Specific Prior Written Approval Worksheet, the DCH sponsor must:
 - Identify and describe the selected item(s) of cost requested for specific prior written approval, and the amount of those costs.
 - Describe how the selected item(s) of costs are necessary for the administration of the CACFP.
 - Enter the resource funds available to support the increase(s) in CACFP cost included in the request for specific prior written approval, as necessary.

Request for Specific Prior Written Approval

- Identify and describe the selected item(s) of cost that will be decreased to accommodate the increase(s) in CACFP costs included in the request for specific prior written approval, as necessary.
- Submit the request for specific prior written approval worksheet to the DCH analyst, along with documentation to support the reasonableness of the CACFP cost(s) included in the request for specific prior written approval.

Request for Specific Prior Written Approval

[illegible]

Request for Specific Prior Written Approval – Review and Analysis

- When the DCH analyst receives a request for specific prior written approval, the DCH analyst will:
 - Reviews the CACFP costs included in the submitted request for specific prior written approval for allowability and reasonableness of cost, federal administrative and meal reimbursement totals, and ACQRs
 - The DCH analyst may contact the DCH sponsor to complete ACQRs in the CNIPS, as necessary)

Request for Specific Prior Written Approval – Review and Analysis

- Enters the most recently available federal administrative, meal reimbursement, and ACQR totals as reported in the CNIPS, into the DCH Sponsor Administrative Budget Revision spreadsheet.

| CACFP021CA - Claim History Report | | | | | | | | | |
|-----------------------------------|-------------|---------------------------|-----------------------|------------------------------------|--------------------------------|-----------------------------------|-------------------------------|--------------|-----------------------------------|
| | Total Homes | Tier I Meals Breakfast | Tier I Meals Lunch | Tier II High Meals Breakfast | Tier II High Meals Lunch | Tier II Low Meals Breakfast | Tier II Low Meals Lunch | Total Costs | Federal Administration Paid |
| October | 770 | 60,300 | 116,500 | 90 | 340 | 2,000 | 3,400 | \$56,400.00 | \$62,200.00 |
| November | 770 | 50,200 | 97,900 | 80 | 290 | 1,900 | 2,900 | \$57,700.00 | 62,200.00 |
| December | 765 | 48,600 | 99,200 | 120 | 350 | 1,900 | 2,800 | \$70,500.00 | 61,900.00 |
| January | 765 | 49,900 | 100,500 | 100 | 330 | 2,200 | 3,300 | \$65,600.00 | 61,800.00 |
| February | 770 | 51,200 | 99,800 | 90 | 320 | 2,400 | 3,500 | \$64,700.00 | 62,100.00 |
| March | 770 | 60,900 | 115,100 | 110 | 310 | 2,600 | 3,800 | \$59,500.00 | 62,100.00 |
| April | 775 | 59,300 | 105,500 | 0 | 210 | 2,400 | 3,700 | \$64,000.00 | 62,400.00 |
| May | 770 | 56,400 | 96,600 | 10 | 210 | 2,300 | 3,500 | \$53,200.00 | 62,100.00 |
| June | 765 | 58,200 | 105,300 | 0 | 220 | 2,200 | 3,600 | \$70,200.00 | 61,500.00 |
| July | 760 | 55,200 | 103,400 | 0 | 180 | 2,100 | 3,600 | \$60,500.00 | 64,900.00 |
| August | 760 | 61,700 | 83,000 | 10 | 180 | 2,700 | 3,900 | \$57,100.00 | 65,200.00 |
| September | 740 | 60,600 | 65,900 | 30 | 150 | 2,500 | 3,300 | \$66,300.00 | 63,700.00 |
| Average: | 765 | 56,042 | 99,058 | 53 | 258 | 2,267 | 3,442 | \$62,141.67 | \$62,675.00 |
| Total: | | 672,500 | 1,188,700 | 640 | 3,090 | 27,200 | 41,300 | 745,700.00 | 752,100.00 |
| Est. Ann. Total: | | 672,500 | 1,188,700 | 640 | 3,090 | 27,200 | 41,300 | \$745,700.00 | \$752,100.00 |

Request for Specific Prior Written Approval – Review and Analysis

- Enters information from the request for specific prior written approval worksheet into the DCH Sponsor Administrative Budget Revision spreadsheet.
- Contacts the DCH sponsor for more information, as necessary.

| DCH Sponsor Administrative Budget Summary - Revision 1 | | | | | |
|---|--|--------------------|---|-----|-----------------------------|
| Budget Item | Approved Annual CACFP Budget (Previous PY) | Increase/ Decrease | Approved Annual CACFP Budget (Current PY) | | Estimated Annual CACFP Cost |
| Employee Wages and Taxes | \$497,000 | \$0 | \$497,000 | | |
| Overtime Wages and Taxes | | | | | |
| Benefits | 98,000 | 0 | 98,000 | | |
| Unused Benefits | | | | | |
| Equipment | | | | | |
| CACFP Travel | 2,500 | 0 | 2,500 | | |
| CACFP Meetings and Conferences | 12,400 | 0 | 12,400 | | |
| Professional Services | 77,600 | 2,000 | 79,600 | | |
| Depreciation and Use Allowance | | | | | |
| Rent/Lease | 56,500 | 0 | 56,500 | | |
| Purchased Services | 22,250 | 0 | 22,250 | | |
| Durable Supplies and Expendable Materials | 28,500 | 7,500 | 36,000 | | |
| Communications | 34,000 | 0 | 34,000 | | |
| Publication, Printing, and Reproduction | 4,000 | 0 | 4,000 | | |
| Insurance | 8,000 | 0 | 8,000 | | |
| Audit Costs | | | | | |
| Advertising and Public Relations Costs | 250 | | 250 | | |
| Memberships and Subscriptions | 1,050 | 0 | 1,050 | | |
| DCH Licensing Standards | | | | | |
| Provider Training and Support | 450 | 0 | 450 | | |
| Indirect Costs | | | | | |
| Financial Costs | 2,000 | 0 | 2,000 | | |
| Total: | \$844,500 | \$9,500 | \$854,000 | | |
| Are all the costs included in the request for specific prior written approval allowable? | | | | Yes | |
| Is the reasonableness of the costs included in the DCH sponsor admin budget supported by documentation? | | | | Yes | |

Request for Specific Prior Written Approval – Review and Analysis

- When the DCH analyst determines that the CACFP cost(s) included in the request for specific prior written approval, the DCH analyst will:
 - Enter the DCH sponsor administrative budget revision into the CNIPS.
 - Upload the DCH Sponsor Administrative Budget Revision Spreadsheet, Request for Specific Prior Written Approval Worksheet, and documentation to support the reasonableness of the CACFP costs included in the request for specific prior written approval.

Request for Specific Prior Written Approval – Review and Analysis

- Confirm with the DCH sponsor that the DCH sponsor administrative budget revision entered in the CNIPS by the DCH analyst are reviewed by the DCH sponsor for accuracy and is true and correct.
- Notify the DCH sponsor that the DCH sponsor administrative budget revision is approved in the CNIPS, and the effective date of the approval of the DCH sponsor administrative budget revision.
 - The CACFP costs included in the attached request for specific prior written approval are approved in the CNIPS, effective: January 01, 2022. Please refer to the DCH sponsor administrative budget available in the CNIPS for all approved CACFP costs.

CACFP Cost Accounting in the CACFP

- DCH sponsors must account for all costs of operation through the consistent use of U.S. generally accepted accounting principles. Some of these costs will be:
 - Allowable operating or administrative costs of the CACFP; or
 - Unallowable costs that may be necessary and reasonable for operation of the DCH sponsor but are not allowed as CACFP costs, even when the preponderance of the DCH sponsor's revenue is from the CACFP.

Cash or Accrual Accounting

- Costs may be reported on a(n):
 - Accrual basis (expenses and income recorded when incurred);
 - Cash basis (expenses and income reported when paid/received; or
 - Modified accrual basis (certain expenses and income are reported on a cash basis while other costs and expenses are reported on an accrual basis).
- DCH sponsors' accounting systems must treat all costs consistently.

Emergency Operational Cost Reimbursement (ECR) Program

- Funds may be used in two ways:
 1. To reimburse funds or accounts used to supplement the nonprofit food service account during March–June 2020 to offset the impact of pandemic operations
 2. To spend in the future (in the Program Year 2021-22) on CACFP allowable costs
- If using option #2, ECR funds **do not** need to be tracked separately from other CACFP reimbursement

Emergency Operational Cost Reimbursement (ECR) Program

Questions?

Email the ECR team at ECR@cde.ca.gov.



Questions?

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