

**North Carolina Department of Health and Human Services
Division of Public Health
Women's & Children's Health Section
Nutrition Services Branch
Special Nutrition Programs
Child and Adult Care Food Program
Instructions for Annual Budget for Sponsoring Organization of Homes
Program Year: October 1, 2011 - September 30, 2012**

- **The CACFP is a non-profit program. This means that the revenue received from CACFP must equal the expenses for the CACFP. All expenses must be necessary, reasonable and allowable per the Financial Management Guide (FNS 796-2, Revision 3). The budget is used as a tool to determine that the institution is financially viable per 7 C.F.R. § 226.6(b)(1)(xviii)(A) for new institutions and 7 C.F.R. § 226.6(b)(2)(vii)(A) for renewing institutions.**
- **You must provide all expenses related to operating the CACFP program within the budget. Items that will be paid for with CACFP funds will be listed in the columns labeled "Use of CACFP Funds". To complete this budget, leave lines blank if no expenses are expected to be incurred for the year.**
- **Justification is necessary for each line item included in this budget. Justification will include cost comparisons with national salaries and fringe benefits, references to previous expenditures, and contracts. For example, salary justification will include a cost study to show that your salaries are within the acceptable range for the duties performed.**
- **A cost allocation plan is used to equitably divide costs between two or more programs. Two of the most commonly used plans are the space allocation method and the time usage method. In some cases, it may be necessary to use a combination of the two. If another cost allocation plan is used then provide a complete explanation of the plan.**
- **The State Agency will grant final approval of each budget.**

SPONSORING ORGANIZATION PROFILE

1. **Business Name:** Enter institution name, corporate name as it appears on Articles of Incorporation, or d/b/a (doing business as), if applicable.
2. **Agreement Number:** Enter CACFP (Child and Adult Care Food Program) agreement number.
3. **Number of Homes:** Enter the number of homes sponsored.
4. Indicate if the Sponsoring Organization (SO) operates the CACFP in other states. If the answer is "Yes" and you claim administrative costs, provide a cost allocation plan to demonstrate how the administrative costs will be allocated between the states.
5. List the total number of homes sponsored and the other States where the homes are located.

6. Are you a multi-purpose organization operating other programs in addition to CACFP? If the answer is “Yes”, continue to Line 7 and provide the names of the other programs administered by the SO.
7. List of other programs administered by the SO.
8. Will any of these funds be used for the CACFP? If so, list the funds available for CACFP purposes in Line 11.

REVENUE

9. a. **Carry Over of Administrative Funds from Prior Years:** Include any carry over of administrative funds from prior year.
- b. **Administrative Funding for CACFP Homes:** The amount of revenue expected for administering the CACFP for day care homes this fiscal year will be computed by Homes x Rates. The Rates will be determined by FNS and will be provided the State Agency by July 1 of each year.
- c. **Reimbursement for CACFP Homes:** Indicate USDA food reimbursement expected for the homes sponsored this fiscal year.
- d. **Other Income:** List other sources of income that are available to be used for administrative expenses for the CACFP such as grants, loans, or in-kind contributions. May also include funds from other programs administered by the SO.
- e. Add Lines 9 through 11 to obtain the total projected annual income.

CACFP EXPENDITURES

- f. – 20. Will be generated by the spreadsheet once you have completed the worksheets related to each category.

CERTIFICATION AND SIGNATURE

The Owner or Chairman of the Board must sign and date this budget.

WORKSHEET A – ADMINISTRATIVE LABOR

1. **Employee Name:** List each employee by name. Indicate if any of these employees are on the Board or related to any Board member. These individuals will need specific prior written approval from the State Agency. Also include any volunteers and their duties.
2. **Classify each employee by his or her duties.** Provide the percentage of time they spend on each duty. (This information is vital for the computation of the FTE’s (full time equivalent’s) for monitors. The SNP consultant will compute the FTE’s.) Also provide information pertaining to all duties in the justification submitted with this budget. Describe all duties related to the CACFP.
3. **Total Hours Worked Per Month.** (Remember that a month has an average of 173.33 hours.)

4. **Total Hours Worked for CACFP Per Month.** Determine the number of hours devoted to completing CACFP duties.
5. **Percentage of Total Hours Worked for CACFP.** (Divide hours worked for CACFP by the total hours worked. Column 4 divided by Column 3.)
6. **Enter the employee's total gross wages for the month.**
7. **Monthly Cost for CACFP.** (Multiply gross wages in Column 6 by the percentage computed in Column 5.)
8. **Employer Taxes Per Month.** (Include FICA and Employment taxes.)
9. **Taxes Paid by CACFP Per Month.** (Multiply employer taxes, Column 8 by percentage computed in Column 5 to obtain the amount of taxes paid by CACFP per month.)
10. **Total Monthly Cost for CACFP.** (Add Column 7 and Column 9.)
11. **Annual Cost for CACFP.** (Multiply Column 10 by 12 months.)
12. **Amount of Line 11 that will be paid for with CACFP funds.**
13. **Remainder of cost that will be paid by non-CACFP funds.**
14. **Total Administrative Labor with Taxes included:** Total Column 12 for CACFP and Column 13 for those amounts of labor to be paid by other sources.

WORKSHEET A – ADMINISTRATIVE LABOR – FRINGE BENEFITS

15. **Employee Name:** List each employee by name who receives any benefits.
16. **Type of Benefit:** For each employee list the type of benefit received by each employee by using “a” for Health Insurance, “b” for Dental Insurance, “c” for Life Insurance, “d” for Retirement, and “e” for other. Provide an explanation for any benefit listed as “e”.
17. **Total cost per month** for the benefits listed in Column 16.
18. **Percentage of benefits paid by CACFP.**
19. **Percentage of benefits paid by the employee and/or paid by other programs.**
20. **Total monthly amount paid by CACFP.** (Column 17 multiplied by Column 18.)
21. **Annual Cost.** (Column 20 multiplied by 12 months.)
22. **Costs Paid by CACFP Funds.** Amount from Column 21 that will be paid by CACFP.
23. **Remainder of cost that will be paid by non-CACFP funds.**
24. **Total cost of Administrative Benefits.** (Total Column 21 for those to be paid by CACFP funds and Column 22 for those to be paid by non-CACFP funds.)

WORKSHEET B – ADMINISTRATIVE SUPPLIES

1. Equipment Purchased \$5,000 and Over:

Equipment is an article of non-expendable tangible personal property having a useful life of more than one year and an acquisition cost that equals or exceeds \$5,000. The equipment must also qualify as general purpose such as office equipment, air conditioning, motor vehicles or computers.

Proposed or Original Purchase Date: List the date of purchase.

Acquisition Cost: List the cost of the equipment. Note that for purchases of equipment costing \$5,000 or more but less than \$100,000, three bids/quotes and a justification of need must be submitted to the State Agency CACFP Office and specific prior written approval received before making the purchase with CACFP funds.

Annual Depreciation: Use 15-year straight-line depreciation, (5 years for ADP equipment and vehicles), or the depreciation method used and accepted for Federal income tax reporting purposes. Submit the depreciation schedule.

Percentage Allocated to CACFP: Based on the cost allocation method, provide a percentage to be allocated to CACFP.

Annual Cost to CACFP: Multiply the annual depreciation by the percentage allocated to CACFP.

Remainder of cost that will be paid by non-CACFP funds.

2. Equipment Purchased under \$5,000

List all **General-purpose equipment** purchased or projected to be purchased for this fiscal year costing under \$5,000.

Purchase Date: List the date the equipment is projected to be purchased.

Acquisition Cost: List the cost of the equipment.

Monthly Cost to CACFP: Compute the monthly cost by taking the percentage allocated to CACFP times the total cost and then dividing it by 12 months to obtain the monthly cost.

Annual Cost to CACFP: Multiply the monthly cost by 12.

Remainder of cost that will be paid by non-CACFP funds.

3. Postage* - List the postage expenses such as stamps, bulk mailing, certified mail, and monthly postage meter costs. The cost of the postage meter should be listed with leased equipment.

Quantity – Number of stamps.

Cost / Unit – Cost of stamps.

Total Annual Cost – Quantity times cost of stamps.

Percentage of Cost Allocated to CACFP – Percentage allocated to CACFP.

Annual Cost to CACFP – Cost attributed to CACFP.

Remainder of cost that will be paid by non-CACFP funds.

4. Material and Supplies* - Any expendable item with a life expectancy of two years or less is considered a supply. Include computer paper, paper, desk supplies and cost of copying. The cost of copying should not be included as a printing expense.

Quantity – List the amount of supplies

Cost / Unit – Cost of supplies

Total Annual Cost – Quantity times cost of supplies.

Percentage of Cost Allocated to CACFP – Percentage allocated to CACFP.

Annual Cost to CACFP – Cost attributed to CACFP.

Remainder of cost that will be paid by non-CACFP funds.

5. Printing* - List cost of printing services. Printing costs are paid for printing forms, brochures, monitoring forms, and newsletters. Do not include cost of copying.

Quantity – Number of printing.

Cost / Unit – Cost of printing.

Total Annual Cost – Quantity times cost of printing.

Percentage of Cost Allocated to CACFP – Percentage allocated to CACFP.

Annual Cost to CACFP – Cost attributed to CACFP.

Remainder of cost that will be paid by non-CACFP funds.

*A cost allocation plan is used to equitably divide costs between two or more programs. Two of the most commonly used plans are the space allocation method and the time usage method. In some cases, it may be necessary to use a combination of the two. If another cost allocation plan is used then provide a complete explanation of the plan.

Materials and Supplies and Printing must be itemized in order for the State agency to provide prior approval for budgeted items.

WORKSHEET C: ADMINISTRATIVE SERVICES

Office Space

1. Indicate if the office is leased, Less than Arms Length Transaction or in home office by using the drop down box in the spreadsheet. If the office is leased with a Less than Arms Length Transaction, you must have prior approval from CACFP.
 - A less than arms length transaction is one under which one party to the transaction is able to control or substantially influence the action of the others.Also submit a copy of the lease.
2. Provide the name of the lessor, address, contact person and telephone number.
3. List the terms of the lease with beginning and ending date.
4. Computation of CACFP share of lease amount.
 - a. List the monthly amount of the lease.
 - b. Compute the percentage of space allocated to CACFP by dividing the square footage of space used by CACFP by the total available space in the office.
 - c. Compute the percentage of time allocated to CACFP by dividing the amount of time used by CACFP by the total time the space is used.
 - d. Multiply the percentage by the lease amount ($a \times b \times c = d$). This is the monthly cost to CACFP for the lease.
 - e. Multiply the monthly lease amount by 12 to obtain the annual cost to CACFP for the leased office space.
 - f. Remainder of cost to be paid with Non-CACFP funds.

WORKSHEET C – ADMINISTRATIVE SERVICES (CONTINUED)

For each of these line items - Provide Total Annual Cost, Percentage of Cost Allocated to CACFP, Annual Cost to CACFP and the Remainder of Cost that will be Paid with Non-CACFP funds.

1. **Utilities** - Indicate utility expenses allocated to CACFP activities. List each line item.

2. **Facility Maintenance, Janitorial Services** – List the expenses allocated to CACFP activities. (Use a cost allocation plan and list separately. Include copies of all contracts.)
3. **Equipment Rental / Lease** - List all rented / leased equipment and provide a copy of the lease agreements.
4. **Insurance Premiums** - Provide insurance company, type of insurance coverage and policy number.
5. **Contracted Services** - The costs of contracts with outside services related to the CACFP. (Ex: Nutritionists, Accountants, attorney, computer, etc.) List separately and provide copies of the contracts.
6. **Telephone: Monthly Service, Cell Phone, Internet** - The costs of communication that can be attributed to the CACFP. Telephone base rates are prorated and only the program share of the base rate and long distance charges related to CACFO are to be entered.
7. **Advertising, Public Information Services** - Enter only the costs of advertising that can be attributed to the CACFP. 100% of the cost that is related to providing the public with information about the program is allowed. List each advertising media such as newspapers, magazines, radio and television, direct mail and similar goods.
8. **Dues, Subscriptions, or Memberships** - List dues, subscriptions, or memberships.
9. **Licensing Related Expenses** - List projected number of homes to become licensed. A total of \$300.00 per home can be used to assist providers to become licensed.
10. **Other Administrative Costs** - Any other administrative costs that are related to the program and are not included in the above.

Utilities, Facility Maintenance, Janitorial Services, Leases, Contracted Services, Advertising, Public Information Services and other Administrative Costs must be itemized in the budget to allow the State agency to provide prior approval. All contracts for services have to be submitted for review.

WORKSHEET D: ADMINISTRATIVE TRAVEL AND TRAINING

1. **Employee Name** – List the employees who will incur travel expenses for administrative duties or monitoring. Include their destinations and dates of travel.
2. **Mileage Expense** – Total amount of annual miles to be driven while conducting CACFP business multiplied by the mileage rate allowed by the IRS. Include this rate.
3. **Meals** – Cost of allowed meals for employees while traveling for CACFP purposes.

4. **Lodging** – Any lodging expense for employees who may have to spend nights away from home while traveling for CACFP purposes.
5. **Total Travel Expenses** - Total of columns 2, 3 and 4.
6. **Percentage of Cost allocated to CACFP.**
7. **Annual Cost Allocated to CACFP** – Amount of Column 5 that is to be allocated for CACFP times the percentage in Column 6.
8. **Remainder of Cost to be Paid with Non-CACFP Funds** – The difference between the total amount of annual travel expense and that to be allocated to CACFP.

Administrative: Provide names of those traveling, destinations, dates, mileage rates and per diem.

Monitoring: Provide names of those traveling, destinations, dates, mileage rates and per diem.

Other: List and provide any documentation necessary to explain need for expense item.

WORKSHEET E: ADMINISTRATIVE TRAINING

1. **Type of Training** – List the types of training for staff and facilities.
2. **Location of Training** – List where the training will be held.
3. **Total Budgeted Cost** – Estimate the cost of providing the training. Include costs of rental of training site, training supplies, equipment rental, and any other costs. Refreshments are not an allowable expense.
4. **Percentage of Cost allocated to CACFP.**
5. **Cost Allocated to CACFP** – Amount of Column 3 that is to be allocated for CACFP times the percentage in Column 4.
6. **Remainder of Cost to be Paid with Non-CACFP Funds** – The difference between the total amount of training expense and that to be allocated to CACFP.
7. **Educational Supplies and Materials** – Estimated cost and description of staff education supplies. The supplies must contain nutritional education materials. These supplies must be used for CACFP.

Trainings have to be listed separately in order for the State agency to provide prior approval.

INDIRECT COSTS

Indirect Costs - Costs that have been incurred for a common objective and cannot be

identified as a direct cost. Include the rate determination from the cognizant agency.