



North Carolina Department of Health and Human Services
Division of Public Health

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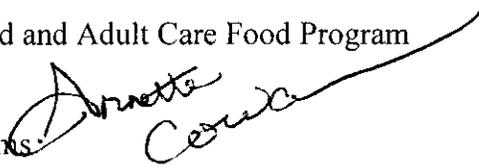
Penelope Slade-Sawyer
Division Director

May 15, 2014

Memorandum

CACFP 14-07

To: Institutions Participating in the Child and Adult Care Food Program

From: Arnette Cowan, MS, RD, LDN
Supervisor, Special Nutrition Programs 

Subject: Accrual Basis for Final Claim for the Fiscal Year

This memorandum provides information pertaining to filing the final claim for the fiscal year for Child and Adult Care Food Program (CACFP) institutions. In accordance with Food and Nutrition Service (FNS) Instruction 796-2, Revision 4, an institution's final claim for reimbursement for the fiscal year must reflect costs on an accrual basis. The accrual basis of accounting records costs (expenditures) when the goods or services are received and records income (reimbursement) when it is earned.

For example, food service items purchased in September for \$600 on credit will be reflected in the September claim even though it will not be paid for until a later month. The claim for September should reflect all costs (expenditures) for the program year which ends in September, even if you pay for them in October or a later month. Therefore, in the month when the costs (expenditures) are paid, you would not include them for that month on your CACFP claim since they had already been reported in September.

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

For any questions, please contact your consultant.

cc: SNP Staff

