



STATE OF CONNECTICUT
DEPARTMENT OF EDUCATION



TO: Child and Adult Care Food Program (CACFP) Sponsors

FROM: Susan H. Boyle, Education Consultant *SHB*
Bureau of Health/Nutrition, Family Services and Adult Education

DATE: December 13, 2012

SUBJECT: **Operational Memorandum #02C-13, #02A-13 and #02H-13
Income and Expenditure Reports**

All participating institutions in the Child and Adult Care Food Program (CACFP) must operate a nonprofit food service that is principally for the benefit of enrolled participants. **This requirement applies to all:**

- independent child care centers, emergency shelters, outside school hours care centers, adult day centers and at risk afterschool care snack and supper programs;
- sponsors of day care homes; and
- sponsors of child care centers, emergency shelters, outside school hours care centers, adult day centers and at risk afterschool care snack and supper programs.

In order to document the maintenance of a nonprofit food service operation, each institution is required to submit an annual report of income and expenditures. This report must reflect all income, expenditures and the value of ending inventories of food and supplies related to the operation and/or administration of the CACFP. The required information is included on the attached sample form; it can also be found on the Child Nutrition Web site at: <http://www.sde.ct.gov/sde/cwp/view.asp?a=2626&q=321576>. This form, or another fiscal report containing the same information, must be submitted to meet the reporting requirement.

The annual report must cover the period between **October 1, 2011 through September 30, 2012** or, at the approval of the Child Nutrition Unit, another twelve month period that reflects the fiscal structure of the organization.

Note: Line 4, "Beginning Balance" is the reported Line 7A, "Ending Cash Balance" from the 10/1/10 to 9/30/11 Income and Expenditure Report. Be sure to use the report that reflects the finalized data as revised or corrected.

In addition, expenditures reported in Section 6, "Program Expenses" must correspond with the institution's approved CACFP budget lines for the same reporting period.

Income and expenditures will again be evaluated to insure that each CACFP institution meets the standard for maintaining a nonprofit food service operation. The standard that has been established for Connecticut is the ending cash balance for any operation does not exceed the equivalent of three months operating costs. If it is determined that the cash balance exceeds the standard for any program, a corrective action plan will be requested to address the investment of the excess cash balance for the improvement or expansion of the food service operation.

The annual income and expenditure report must be submitted to the Child Nutrition Unit **by January 31, 2013**.

IMPORTANT NOTE: *This memorandum with the attached form and instructions must be forwarded to the appropriate agency personnel responsible for the organization's fiscal operation.*

If there are any questions about this information, contacts are as follows:

Day Care Center Sponsors: Susan Boyle at 860-807-2074, Celia Cordero at 860-807-2076 or Benedict Onye at 860-807-2080. Day Care Home Sponsors: Celia Cordero at 860-807-2076.

SHB

Attachment

Important: This is a numbered Operational Memorandum that contains important program information. Please read carefully and retain for future reference. Operational Memoranda are also posted on the Child Nutrition website at: <http://www.sde.ct.gov/sde/cwp/view.asp?a=2626&q=333794>

Sample Form

Child and Adult Care Food Program (CACFP) NON-PROFIT STATUS INCOME AND EXPENDITURE REPORT

(Child Day Care Centers, Emergency Shelters, After-School Programs, Adult Day Centers and At Risk Snack Programs)

This Form Collects Financial Information on the CACFP Only
(Instructions for each line item are provided on page 2 of the form.)

1. REPORTING PERIOD: Check the fiscal operating cycle covered by this report <input type="checkbox"/> October 1, _____ – September 30, _____ <input type="checkbox"/> Other: _____ through _____ Months of Operation: _____										
2. SPONSOR NAME:						3. SPONSOR AGREEMENT # :				
4. BEGINNING BALANCE in the CACFP Food Service Account										
5. Program Revenue										
A. Child payments for food only										.
B. Adult payments for food only										.
C. CACFP reimbursement received for meals served										.
D. Other Revenue (list all sources)										.
TOTAL REVENUE										.
6. Program Expenses										
A. Food Purchases										.
B. Non-Food Supplies and Small Equipment Purchases (under \$5,000)										.
C. Postage/Printing										.
D. Food Service Labor, Taxes and Benefits										.
E. Food Service Equipment Purchases/Depreciation (\$5000 and over)										.
F. Utilities										.
G. Contracted Services										.
H. Equipment Rental or Lease										.
I. Other										.
J. Administrative Costs (must not exceed 15% of total CACFP reimbursement)										.
TOTAL FOOD SERVICE EXPENSES										.
7. Computed Operating Position										
A. ENDING CASH BALANCE (NOTE: This cannot be a negative number)										.
B. Accounts Receivable										.
C. Value of Inventories on Hand										.
D. Total A+B+C										.
E. Minus Accounts Payable										.
F. Ending Balance										.
Signature of the Authorized Representative						Title		Telephone number		

For State Office Use Only

Total Expenses	÷ (months of operation) =	Average Monthly Expenses
\$		\$
Average Monthly Expenses	X 3 =	3 Month Operating Balance
\$		\$

Instructions for Completing the CACFP Non-Profit Status Income and Expenditure Report Child Day Care Centers, Emergency Shelters, At-Risk After School Care Programs and Adult Day Centers

1. **Reporting Period:** Check and report on the federal fiscal year (October through September) or other fiscal reporting period approved by the State Department of Education. The months of operation should reflect the total number of months the CACFP operated in at least one or more sites under the organization.
2. **Sponsor Name:** The name of the organization as it appears on the ED-099, *Agreement for Child Nutrition Programs*.
3. **Sponsor Agreement Number:** The agreement number assigned to your organization for participation in the CACFP.
4. **Beginning Balance in the CACFP Food Service Account:** The balance of funds available to the CACFP at the beginning of the fiscal year. This amount should match the ending cash balance (Line 7A) from the previous year.
5. **Food Service Revenue**
 - A. **Child payments for food only:** Payments received from households to support the cost of meals served to children. If there is no separate charge for meals, report \$0.00 on this line.
 - B. **Adult payments for food only:** Payments received from staff or other adults to support the cost of meals.
 - C. **Federal Reimbursement for meals served:** The reimbursement that your center received from Connecticut State Department of Education, Child Nutrition Unit, Child and Adult Care Food Program.
 - D. **Other Food Service Income:** Any other income received to support the food service operations, such as:
 - Tuition, fees or local, state or federal grant amounts specifically designated for food service program expenses
 - Sale(s) of food service equipment purchased with CACFP funds
 - Allowable interest earned on advance funds
 - Proceeds from parent/child or other dinners and the sale of materials developed using CACFP staff or resources
 - Cash donations earmarked for the food service account
6. **Program Expenses**
 - A. **Food Purchases:** The cost of food purchased for meals and snacks served in the food service program.
 - B. **Non-Food Supplies and Small Equipment Purchases (under \$5,000):** The cost of non-food supplies and/or equipment purchases with a unit cost of less than \$5,000 necessary to operate the food service program.
 - C. **Postage/Printing:** The cost of postage and/or the printing of materials related to the food service program.
 - D. **Food Service Labor, Taxes and Benefits:** The amount paid to cover the cost of labor, taxes and benefits for food service or administrative personnel for time spent on the CACFP.
 - E. **Food Service Equipment Purchases/Depreciation (\$5,000 and over):** The annual depreciation cost related to equipment purchases with a unit cost of \$5,000 or more.
 - F. **Utilities:** The cost of utilities allocated to and necessary for the operation of the food service program.
 - G. **Contracted Services:** Expenses for any contracted services used for any administrative or operating function not performed by organization personnel (catered meals, kitchen maintenance, etc.)
 - H. **Equipment Rental or Lease:** The cost of renting or leasing equipment or vehicles necessary for the food service program operation.
 - I. **Other:** List all other operating costs here. Note that prior written approval or specific prior written approval is REQUIRED for all other costs. Contact the Child Nutrition Unit for guidance.
 - J. **Other Administrative Costs:** The amount paid to cover the cost of labor, taxes and benefits for administrative personnel for time spent on the CACFP, and any other *previously-approved* administrative expenses.
7. **Computed Operating Position**
 - A. **Ending Cash Balance:** The balance available to the food service program at the end of the fiscal year.
$$\text{Line 4} + \text{Section 5} - \text{Section 6} = \text{Line 7A.}$$
Beginning Balance + Food Service Revenue – Food Service Expenses = Ending Cash Balance.
NOTE: Line 7A, Ending Cash Balance CANNOT be a negative number.
 - B. **Accounts Receivable:** All CACFP reimbursements and any other funds due.
 - C. **Value of Inventories on Hand:** The value of food and supplies on hand and not used as of the last day of the reporting period. *The value of inventory does not carry over to the next year's Beginning Balance.*
 - D. **Total of Lines 7A+7B+7C**
 - E. **Accounts Payable:** Any unpaid bills as of the last day of the reporting period.
 - F. **Ending Balance:** The difference between the total cash balance, accounts receivable plus value of inventories and accounts payable.

The signature, title and phone number of one of two authorized representatives as designated on the *Agreement for Child Nutrition Programs* ED-099 is required.