Management Plan and Budget Help

Instructions for completing the CACFP Management Plan and Budget. Click on the topic below that you have questions about.

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Please click below topic that you have questions about.

Terms and Definitions

Review the following terms and definitions to assist you in completing the ADE CACFP Management Plan and Budget:

Administrative Costs — Necessary, Reasonable, and Allowable costs incurred by an organization related to planning, organizing, and managing CACFP operations.

Affiliated Center— A sponsored center that is a part of the same legal entity as the sponsoring organization (see "Sponsoring Organization"). Affiliated Centers will have a shared bank account.

Authorized Official – Anyone listed as an authorized signer on the Permanent Agreement (page 22).

Business Related Offense — A business related offense includes fraud, antitrust violations, embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, receiving stolen property, making false claims, obstruction of justice, or any other activity indicating a lack of business integrity.

Disqualified — The status of an organization, a responsible principal or responsible individual, or a day care home that is ineligible for participation in the CACFP.

Facility — A sponsored center or a day care home.

Full Time Equivalent (FTE) – Full-time equivalent positions are the total number of full-time employees plus the full-time equivalent of the part-time employees. The result may be the actual calculation determined by the number of hours worked by all part-time employees divided by the average number of hours worked by a full-time employee. For example, if all part-time employees worked a total of 60 hours in one week and one full-time employee is expected to work 40 hours, the FTE is calculated as 60/40=1.50 FTES.

Income to the Program — Any funds used in an organization's food service program, except CACFP reimbursement. Examples include, but are not limited to, funds from other government sources, tuition, participant's payments for meals and food service fees, income from food sales to adults, cash donations, and grants from organizations or individuals.

Independent Center — An adult day care center, child care center, emergency shelter, At Risk Afterschool Snack program center or outside-school-hours care center that enters into an agreement with the State Agency to assume final administrative and financial responsibility for operating the CACFP.

Internal Controls — The policies, procedures, and organizational structure of a organization designed to reasonably assure that: (a) the CACFP achieves its intended result; (b) CACFP resources are used in a manner that protects against fraud, abuse, and mismanagement and in accordance with law, regulations, and guidance; and (c) timely and reliable CACFP information is obtained, maintained, reported, and used for decision-making.

National Disqualified List — The list, maintained by the United States Department of Agriculture, of organizations, responsible principals and responsible individuals, and day care homes disqualified from participation in the CACFP.

Nonprofit Food Service — All food service operations conducted by the organization principally for the benefit of enrolled individuals from which all CACFP reimbursement funds and funds specifically restricted for food service are used solely for the operations or improvement of the food service.

Organization — A sponsoring organization or independent center that enters into an agreement with ADE to assume final administrative and financial responsibility for CACFP operations.

Operating costs — Expenses incurred by an organization in serving meals to individuals under the CACFP.

Principal — Any individual that holds a management position within, or is an officer of, an organization or a sponsored center, including all members of the organization's board of directors or the sponsored center's board of directors.

Publicly Funded Program — Any program or grant funded by public funds including, but not limited to; federal, state, or local government funds.

Responsible Principal or Responsible Individual — (a) A principal, whether compensated or uncompensated, whom ADE determines to be responsible for an organization's serious deficiency; (b) any individual employed by, or under contract with an organization, whom ADE determines to be responsible for an organization's serious deficiency; or (c) an uncompensated individual whom ADE determines to be responsible for an organization's serious deficiency.

Seriously Deficient — The status of an organization or a day care home that has been determined to be noncompliant in one or more aspects of its operation of the CACFP.

Sponsoring Organization — A public or private nonprofit organization that is entirely responsible for the food service in: (a) a center that is a legally distinct entity from the sponsoring organization; (b) two or more centers; or (c) any combination of centers. The term sponsoring organization also includes a for-profit organization of two or more centers that are part of the same legal entity as the sponsoring organization, and are proprietary Title XIX or Title XX centers.

Unaffiliated Center — These centers are not a part of the same legal entity as the sponsoring organization (see "Sponsoring Organization") and will have separate bank accounts.

Sponsor Information

Sponsor Information

DUNS # — The DUNS number is a nine-digit number, issued to businesses by Dun & Bradstreet. The U.S. Office of Management and Budget (OMB), a United States federal agency requires that all new or renewal grant applicants obtain a DUNS number.

Federal ID Number (FEIN) — The FEIN is a business Federal Tax Identification Number issued by the Internal Revenue Service (IRS). This is a unique nine-digit number that must be provided to receive payments from the State of Arizona.

Physical and Mailing Addresses

Physical Address – Enter the physical address of the organization including street, city, state and zip code.

Mailing Address — Enter the mailing address of the organization, if different from the physical address. If the physical and mailing addresses are the same, check the box next to "Same as Physical Address"

Authorized Representative

First and Last Name — Enter the first and last name of the individual who is authorized to prepare the management plan and budget. This person is also the person who ADE should contact.

Email Address — Enter the e-mail address of the organization's authorized representative.

Telephone Number and Ext. — Enter the area code and telephone number for the authorized individual that should be contacted for additional information or questions. The telephone extension is optional.

Fax Number and Ext. — Enter the area code and fax number for the authorized representative. The fax number and extension are optional fields.

Organization

Type of Organization — Select from the list of options:

- Public Entities – If the organization is a public entity with taxing authority, select the branch of government, such as city, county, military
  - Public – City
  - Public – County
  - Public – Military
    - Private, For-Profit Organization – If the organization is a private enterprise operating for profit and 25% or more of all participants receive benefits under Title XIX/XX of the Social Security Act.
    - Private Non-Profit, Tax Exempt – If the organization is nonprofit and has established tax exemption under the Internal Revenue Code of 1954, attach a copy of the letter of determination of tax-exempt status from IRS
    - Other – If selecting other, specify the type of organization.

List all assumed names the organization does business under, if applicable. — Enter any other names that your organization is identified by. If there are no other names, enter "None" in this field.

Disbursements

Disbursements — Select from the list of options:

- N/A (Operate single (1)center)
- N/A (Centers are part of same legal entity and organization maintains a central bank account)
- Funds are transferred to centers bank account
- Other – If selecting other, specify how the organization will disburse funds to the centers.

Subcontracts

Subcontracts — If you subcontract, you must keep records to demonstrate compliance with procurement requirements and a copy of each subcontract must be uploaded. The management functions of the CACFP, such as preparation of application materials, monitoring, claim preparation and corrective action submission may not be subcontracted.

Choose all that apply:

- N/A (No CACFP function will be subcontracted)
- Food Service
- Data Processing
- Bookkeeping
- Auditing
- Other – If selecting other, specify what will be service will be contracted.

Meals and Meal Pricing Information

Are you using a computer generated meal count system? — If you answer "Yes", you must upload a computer generated meal count agreement that must be approved by ADE.

Is the organization Pricing or Non-Pricing? — Select either Pricing or Non-Pricing. If you answer "Pricing", you must have a Pricing Policy pre-approved by ADE and the approved policy must be uploaded. If approved for Pricing Program, complete the Pricing Information table:

Commodities

Read the commodities statement and check the "I agree" box.

Certification Statements

Read and answer each certification statement. If any statement is answered "Yes", provide a detailed explanation or upload supporting documents when requested.

Site Information

Site Information

Site Name — The site name is pre-populated for you. If a site is not listed in the left menu, contact Health and Nutrition Services for assistance with adding a new site.

Site Type — Select type of site that best fits.

Does this site operate an At-Risk program? — Select Yes or No. To be eligible to operate the At-Risk After School Program in the CACFP, a facility must be in an area eligible location. This means that the care facility/site itself must be located in the attendance zone or area serving a school (elementary, middle, or secondary) in which 50% or more of the school's enrollment is determined eligible to receive free and reduced-price meals. You may view all schools free and reduced price reporting at: http://www.azed.gov/hns/frp/

To establish eligibility, an At Risk center must upload the following information:
- documentation that the school's area eligibility is at least 50% free and reduced; and
- a written plan of enrichment or educational activities provided to participants while in attendance.

At-Risk – Name of School Used to Determine Eligibility: — Enter the name of the school that your facility/site is in the attendance zone of to determine area eligibility.

At-Risk – Number of Participants Eligible for Free Meals: — Enter the eligible schools free/reduced percentage from the Free and Reduced Percentage report.

Is the facility Owned, Owned and Fully Depreciated or Rented/Leased?: — If the organization intends to claim rent/lease costs or depreciation for the site, the rental/lease contract or depreciation schedule must be uploaded. If the organization does not intend to claim any of these costs for the site, select "Not Claiming Rent/Depreciation Costs".

Number of Participants

Complete the number of participants section using the Title XIX/XX, Free, Reduced-Price and Paid information for the current enrollment.

Title XIX/Title XX: – If your organization is For-Profit, you must enter the number of Title XIX/XX participants. If your organization is a Non-Profit that does not have any Title XIX/XX participants, enter zero in this field.

Free: – Enter the number of participants eligible for Free meals based on complete Meal Benefit Income Eligibility forms. Include in the Free count, the participants that are Title XIX/XX eligible.

Reduced-Price: – Enter the number of participants eligible for Reduced-Price meals based on complete Meal Benefit Income Eligibility forms.

Paid: – Enter the number of participants eligible for Paid meals based on complete Meal Benefit Income Eligibility forms.

Total Enrolled: – This is the calculated sum of the Free, Reduced-Price and Paid participants entered in the above fields.

Calculated F/R %: – This is a calculated field used to determine a For-Profit organization's eligibility to participate on CACFP. For-Profit organizations must have 25% or more Free and Reduced-Price participants to be eligible for participation.

Traditional Meal Participation

Provide the meal start and meal end times under each meal you will be claiming for reimbursement. There must be a minimum of two hours between the start of each meal and/or snack. If serving two shifts, enter the meal start and end time for each shift. There must be 1/2 hour between the end of the 1st shift and the start of the 2nd shift. Refer to the chart below for meal time requirements:

Meal Time Requirements		
Meal Type	Meal Type	Meal Type
Breakfast	6am-9am	1 ½ hours
AM Snack	Between Breakfast & Lunch	1 hour
Lunch	11am-1pm	2 hours
PM Snack	Between Lunch and Supper	1 hour
Supper	5pm – 7pm	2 hours
Night Snack	After 7pm	1 hour

At-Risk Meal Participation

Complete the At-Risk Meal Participation only if you have selected "Yes" to the question "Does the site participate in the At-Risk Program?".

Provide the meal start and meal end times for each At-Risk meal that will be claimed for reimbursement. Refer to the chart in the Traditional Meal Participation for meal time requirements.

Civil Rights Data Collection

Follow the instructions below to complete the Civil Rights Data Collection chart.

1. **Enrolled #** – List the number # of participants currently enrolled in your program. This data can be obtained from data provided on the Income Eligibility Forms or by visual identification. The total enrolled for both the racial and ethnic categories must match the total number of participants reported at the top of the Site Information page.
2. **Enrolled %** – The enrolled percentage is calculated based on the number of participants reported in each racial or ethnic category.
3. **Service Area %** – data can be obtained from the U.S. Census Bureau American Fact Finder website. The Service Area statistics can be located by typing the County, City, or Zip Code in the box located on the upper-left hand side of the page, then clicking the "Go" button. After the page refreshes, click on the Race and Hispanic or Latino Origin (2nd bullet) link in the listed under 2010 Census.

Administrative Capability

Staffing

Do you have written job descriptions that assign CACFP responsibilities and duties? — This is a "Yes" or "No" answer. You will be required to upload written job descriptions.

Meal Production Records

Indicate method you will use to document Menu, listing of foods and quantities used to prepare the meal and planned number of servings. – Select from three options:

- **Daily Meal Production Records** – The cook will complete daily meal production records on a daily basis. The center director (or another designated staff person) will review the form to ensure the form is completed correctly.
- **Waived** – If waived, provide the waiver date. Supporting review documentation must be maintained by the organization.
- **Other** – Provide an explanation for other

Attendance and Meal Counts

Organizations must maintain records of daily attendance and a daily count of the number of meals served to program participants, program staff, and non-program meals. Meal counts must be taken at the "point of service." The "point of service" is that point in the meal service when you have observed that a creditable meal was served to an eligible participant. Only the meals served to program participants are eligible for reimbursement.

Attendance and count of meals served to participants – One of the two options, Point of Service Meal Count Sheets or Other, must be selected.

- **Point of Service Meal Count Sheets** are used when a designated recorder documents on the Point of Service Meal Count Sheets that they observed that a participant has been served a creditable meal. The count will be taken by participant name and by meal type (breakfast, lunch, supper, or snack). The center director (or other designated staff person) will review the form prior to claiming to ensure it is completed correctly.
- If **Other** is selected, an explanation must be provided that explains in detail the "point of service" method you intend to use.

Count of meals served to Program Staff and Non-Program Persons – One of the three options, No Meals Served, Point of Service Meal Count Sheets or Other, must be selected.

- **No Meals Served** should be selected if program staff and/or non-program person will not be served any of the meals provided to participants.
- **Point of Service Meal Count Sheets** are used when a designated recorder supervising the meal service records the number of meals served to program staff and/or non-program persons when the meal has been served. The center director will review the form prior to claiming to ensure the form is completed correctly.

  Meals served to program staff and non-program persons are not reimbursable under the CACFP. These meals cannot exceed a 1:5 ratio, meaning no more than 1 staff member consumes a meal per five participants. A monetary value must be assigned to each meal served that exceeds the 1:5 ratio and the cost of those meals must be reported on the monthly sponsor claim.

- If **Other** is selected, an explanation must be provided that explains the method of counting you intend to use to record the meals served to program staff and non-program persons.

Training

All sponsoring organizations must train new staff on the requirements of CACFP before they assume responsibility of program functions. In addition, all staff members must receive training on CACFP functions and Civil Rights annually. Completed trainings must occur between October 1 and September 30 of the current fiscal year. Proposed training dates are the dates the organization plans to conduct training in the fiscal year of the application being completed.

Each employee must be trained on the following CACFP topics annually:
- CACFP Meal Pattern
- Meal Counting Procedures
- Recordkeeping
- Claims Submission
- Reimbursement System
- Review Procedures

Each employee must be trained on the following Civil Rights topics annually:
- Collection and use of data
- Effective public notification systems
- Complaint procedures
- Compliance review techniques
- Resolution of non-compliance
- Requirements for reasonable accommodations for persons with disabilities
- Requirements for language assistance
- Conflict resolution
- Customer service

Monitoring

Organizations that own/operate multiple sites or independent centers must monitor each site a minimum of three times per fiscal year. Use the attached spreadsheet to plan a proposed monitoring schedule for each site. Visits must be varied, unpredictable and completed between October 1 and September 30 of the fiscal year.

Record Retention

Read and confirm the records retention statement on the Administrative Capability form. Click here for a **Sample Recordkeeping Policy**. Use this sample policy to create your organization's policy that will be uploaded.

Financial Viability

Note: Information on this form is verified. Any intentional non-disclosures could be determined as cause for non-renewal.

Publicly Funded Programs

List names of publicly funded programs which you, your organization, or its principals have participated in during the past 7 years.

Responsible Principals

All contracting organizations must provide information for at least two persons responsible for overall operation. – See Terms and Definitions for assistance in determining who should be listed as responsible principals of the organization. Provide each individual's full name, title, birthdate, and full non-business mailing address.

Internal Controls and Conflicts of Interest

Does the organization maintain a less-than-arm's length relationship with another organization or person(s) which could be perceived as a conflict of interest? – A less-than-arm's length transaction is defined as any related party transactions or ownership interests that may inhibit ADE from making an informed assessment of the allowability of some costs. If this question is answered "Yes", a description and explanation of the less-than-arm's length relationship must be provided.

How does the organization prevent and detect improper financial activities to ensure the safeguarding of CACFP funds? – Organizations must have internal controls in place to ensure accountability. Each organization must identify how they will ensure that financial activities are monitored to safeguard CACFP funds.

Financial Recordkeeping

Who is responsible for reviewing the organization's financial records? – Provide the name(s) and title(s) of the individual(s) responsible for the financial operations of the organization.

How often are the organization's financial records reviewed? – Available options are Monthly, Quarterly, Semi-Annually, Annually, or Other. If Other is selected, provide an explanation.

What are the programs/systems used to track/manage financial related information? – Provide the name of the software used to record and maintain financial activity of the organization. If using a manual system, enter "Manual".

What position in the organization is responsible for developing and executing the CACFP Operational and Administrative budget? – Enter the name and title of the individual(s) that are responsible for preparing the budget.

Projected Revenue Sources

List the available funding sources you plan to use to operate CACFP in the event of interruptions or repayments. – List the funds that are available and will be used to cover costs to operating the CACFP. The monthly amount specified in the table should be the amount available to be utilized for CACFP operations. All sources must be identified and may not be anonymous. Do not list CACFP funds in this table.

Anticipated monthly CACFP reimbursement. – Enter the estimated amount of reimbursement you anticipate receiving from monthly CACFP reimbursement claims. For renewing sponsors, this may be an average of the previous year's reimbursement.

Explain the organization's plan to sustain CACFP in the event of a delay or interruption of program funds. – Provide a detailed explanation of how the organization will continue to meet the requirements of the CACFP in the event that program funds are delayed or interrupted. Provide enough detail for the ADE to determine the source of the funds being used and how much will be available.

Explain the organization's plan for repayment of any outstanding debts resulting from Program reclaims or costs exceeding CACFP claim reimbursement, should they occur. – Provide a detailed explanation of how the organization will repay outstanding debts that resulted from overclaims or pay for costs to operate the CACFP that are in excess of the monthly reimbursement. Provide enough detail for the ADE to determine the source of the funds available and how much will be available.

Has the organization been in bankruptcy anytime in the past 7 years? – If the organization has declared bankruptcy in the past 7 years, answer "Yes" to this question and provide an explanation.

Is the organization currently in bankruptcy? – If the organization has recently filed bankruptcy that has not yet been discharged, answer "Yes" to this question and provide an explanation.

Has there ever been a lien or judgment against the organization and/or the responsible principals of the organization? – If the organization and/or it's responsible principals have ever had a lien or judgment against them, this question must be answered "Yes" and an explanation must be provided.

Document Upload

The list of documents that require upload are determined by answers provided within each of the forms on the Management Plan. Each document will be uploaded and saved to the appropriate form. To upload a document, click the **Browse** button to open the file manager. Select the document to be uploaded, then click the **Open** button on the file manager. The file manager will close and the document will be uploaded to the CNP Management Plans and Budgets system upon clicking the **Save** button on each form. Repeat these steps for each required document.

File requirements include:
- Acceptable file types includes .pdf, .doc, .xls, .jpg, .png, .gif
- Individual file size cannot exceed 10 MB

The charts below list the documents that may be required for uploaded into the Management Plan. Each chart identifies the documents that the sponsor maintains within their organization that will require upload and the documents that are provided by ADE in hyperlinks. The ADE documents must be completed and uploaded by the sponsor.

Sponsor Information	
Documents provided by sponsor:	Documents provided by ADE and completed by sponsor:
501(c)(3) Tax Exempt Letter (for private non-profit organizations)	Computer Software Agreement (if applicable)
List of Board members with addresses (for private non-profit organizations)	Media Release
Food Service Vendor/Catering Contract (if applicable)	Pricing Policy
Sub-contracts for bookkeeping, data processing, etc. (if applicable)	Free/Reduced-Price Policy Statement
Organizational Chart	
Training Certificates (uploaded as one document)	

Site Information
Documents provided by sponsor:
Rental Lease Agreement/Mortgage Verification/Depreciation Schedule Letter (if claiming this cost)
DHS License/Child Care Standards and Inspections/Tribal Health Letter
At-Risk Area Eligibility Documentation (if applicable)
At-Risk Area Enrichment Activities Documentation (if applicable)

Document Upload Continued

Administrative Capability	
Documents provided by sponsor:	**Documents provided by ADE and completed by sponsor:**
Job Descriptions with CACFP Duties	**Civil Rights Pre-Award**
Annual Staff Training Agenda and Sign-In Sheets	
Annual Civil Rights Training Agenda and Sign-In Sheets	
Proposed Monitoring Schedule (sponsors with multiple sites)	
FTE Monitoring Policy for Sponsors with >25 Sites (if applicable)	
Record Retention/Recordkeeping Policy	
Menus & Building for the Future (new sponsors only)	
Unannounced Review Policy	
Outside Employment Policy	

Financial Viability	
Documents provided by sponsor:	**Documents provided by ADE and completed by sponsor:**
Certificate of Incorporation/In Good Standing	**Procurement Standards and Code of Conduct**
Satisfaction of Liens and Judgments (if applicable)	

Budget Information

Facility Information

The information provided is this section is used to perform the necessary calculations in other sections of this budget.

Number of Operating Months (1-12): – Enter the number of months this budget will be based on. The budget is based on the Federal Fiscal Year which is October 1st through September 30th. If the organization has any breaks in operation throughout the year, the number of months entered should be based on the actual number of month that food service is provided. If the organization is new the number of months should be based on the months from the current month through September of the same year.

Weekend Care Provided: – Select "Yes" or "No" for Saturday and Sunday. If "Yes" is selected in either of these fields, the budget will calculate the number of operating days based on an adjustment for the weekend days that care is provided.

Administrative and Operation Facility Costs will be: – A percentage of Administrative or Operational facility costs can be attributed to the operation of CACFP. To claim these costs, a facility must know the square footage of the administrative or operational service area and the square footage of the entire facility. The administrative or operational service area is divided by the total facility square footage. The result of this calculation is a percentage that will be applied to administrative or operational expenses.

Select "Claimed" or "Not Claimed". If "Not Claimed" is selected, the budget will not allow you to enter administrative or operational facility costs. If "Claimed" is selected, you will be required to enter the administrative, operational and total square footage.

Administrative Square Footage: – Enter the square footage of the office space utilized for operation of the CACFP. Include only the space that is directly attributable to the administrative operation of the CACFP.

Operational Square Footage: – Enter the square footage of the food service area. Include only the space that is directly attributable to the food service operation. Space may include: kitchen area, pantry, and square footage of the tables used to serve children during the meal service.

Total Square Footage: – This is the square footage of the entire facility.

Labor Costs (Administrative or Operational)

Labor costs may be claimed for the individuals performing Administrative or Operational duties. Labor costs include base salary, employment taxes, fringe benefits, overtime pay, holiday pay, compensatory leave, incentive payments and severance pay. Add a row for each position that will be performing duties related to the CACFP.

Description of Administrative and Operational labor: Administrative labor includes planning, organizing and managing the non-profit food service. Operational labor includes preparation and service of meals to participants.

A description of the required labor information is below:

- **Position** – Enter the titles of the positions responsible for the CACFP duties.
- **CACFP Duties** – Enter a brief description of the duties as they relate to CACFP. These brief descriptions must be similar to the longer job descriptions provided in the uploaded job description document.
- **Number of Staff in Position** – Enter the number of staff that perform the duties of the position entered.
- **Hours per day for CACFP** – Enter the number of hours spent on the CACFP duties described. Use time distribution reports as the basis for estimating the labor hours for any staff that does not work in food service 100% of the time. Labor claimed each month must be actual and not an estimate.
- **Salary/Wage per Hour** – Enter the amount the position is paid per hour. If you have multiple employees in the position that receive different salaries, you may choose to take the average of the total salaries for that position.
- **Salary/Wage per Day** – This is a calculated field. The calculation is: Number of Staff X Hours Per Day X Salary/Wage per Hour
- **Annual Number of Work Days** – This is a calculated field based on the Number of Months reported in Facility Information adjusted by weekend operations and eight Federal holidays (New Years Day, Martin Luther King Day, Memorial Day, 4th of July, Labor Day, Columbus Day, Thanksgiving Day and Christmas Day)
- **Gross CACFP Pay** – This is a calculated field. The calculation is: Salary/Wage per Day X Annual Number of Work Days
- **CACFP Portion of Benefits** – Benefits include only the portion paid by the employer. Do not include any amount paid by the employee.

Facility Costs (Administrative or Operational)

The Facility Costs sections will only be displayed if the question in Facility Information is answered "Claimed". Facility costs must be allowable and directly related to CACFP. Organizations will be allowed to claim a percentage of the costs based on the calculated percentage of square footage utilized by CACFP. A description of each cost is provided below:

- **Depreciation or Rent** – Enter the total amount of Depreciation or Rent for all sites that costs are being claimed.
- **Contracted Services** – Enter the amount of contracted services such as pest control (operational only), bookkeeping services, etc. To be eligible, all contracted services must have a contract uploaded.
- **Communication** – This cost is allowable under Administrative Facility costs only. Enter the monthly cost amount of all communication costs, such as Internet and phone services. Add a row for each service that is separately billed.
- **Utility Costs** – This cost is allowable under Operational Facility costs only. Enter the monthly cost amount of all utility costs, such as electric, water, gas, and waste services. Add a row for each service that is separately billed.
- **Other Costs** – Enter the amount of other costs, such as gas to go to the grocery store (must be calculated based on mileage reports times the current per diem rate),

permits/fees, etc., that are attributable to the food service operation. These costs must be necessary, reasonable, and allowable as defined in the terms and definition section.

Food and Supply Costs

An explanation of how food and supply costs were determined must be provided. ADE recommends that you use the Year-to-Date costs from the sponsor claims submitted in CNPWeb. Cost increases will be allowed based on the current cost of living increases.

- **Food Costs** – Food costs should only include the NET cost of food used. Do not include any taxes or delivery fees in the budgeted cost. Enter a detailed description of how the food costs were determined and the projected amount of food costs.
- **Supplies and Equipment Costs** – The supplies and equipment costs are the costs that includes kitchen cleaning supplies and non-food supplies such as plates, bowls and utensils. When determining supply cost include only the supplies necessary and reasonable to operate the non-profit food service.

Costs of Unaffiliated Centers

Complete this section only if your organization sponsors unaffiliated centers as defined in the terms and conditions. If not sponsoring unaffiliated center, check the not applicable (N/A) box.

Budget Summary

The Budget Summary, **Projected Annual CACFP Administrative Expenses and Projected Annual CACFP Operational Expenses** tables contain all calculated fields that are based on the information that was entered in previous sections of the budget. These fields are populated after clicking the "Save" button. If any of the entered fields are changed after saving, this section will re-display a question mark in any fields that are calculated. Click the "Save" button again to refresh the calculated fields.

After the Budget is approved, the line items in the Budget Summary tables will be entered into the CNPWeb, Sponsor Application, Administrative Expenses (7) and Operational Expenses (8).

The **Projected Annual Non-CACFP Income for Non-Profit Food Service** table contains both calculated fields and information entered by the user. Program requirements state that reimbursements under the CACFP subsidize the non-profit food service operation, but may not be sufficient to cover all food service expenses. Any funds specifically designated as food service account funds are restricted and may not be used to fund any other costs in your organization.

- **Total Projected Annual Non-Profit Food Service Costs – This is the calculated total amount of food service costs based on** the information entered in the budget.
- **Projected Annual CACFP Reimbursement for upcoming fiscal year** – Enter the amount of reimbursement that the organization anticipates receiving from the operation of the CACFP. For renewing sponsors, this amount can be determined by the average reimbursements received during the previous fiscal year. New sponsors will be provided with a formula to determine estimated reimbursement.

- **Projected Annual Revenue Received from Reduced-Price and Paid Households, if organization has been approved for Pricing Program** – Enter the amount of estimated revenue to be received from the Pricing Program. Only organizations that have been pre-approved for the Pricing Program should enter an amount in this field. Contact your CACFP Specialist if assistance is needed determining this amount. All other organizations should enter zero.
- **Total Projected Funds Required for Operation of a Non-Profit Food Service** – The total projected funds required is the amount the organization must have available to support the non-profit food service. All organizations must maintain a non-profit food service and must identify the source of the funds available to cover costs in excess of the reimbursement and pricing program revenue.

Certification Statement – All organizations must certify that funds are available to cover the excess food service costs that the projected food service revenues do not cover. The amount of funds that will be required is displayed in Total Projected Funds Required for Operation of a Non-Profit Food Service field.

Identify the source(s) of non-CACFP income that will be used to cover the costs that are not covered by CACFP – Each organization must identify the source(s) of funds that are available to cover the costs that are not covered by CACFP reimbursement and other food service revenues. This income may come from (tuition, DES subsidies, donations, etc. and must be specifically designated for food service.

Projected Cost Evaluation – Each organization must identify the source(s) of funds that are available to cover the costs that are not covered by CACFP reimbursement and other food service revenues. This income may come from (tuition, DES subsidies, donations, etc. and must be specifically designated for food service.

Total Projected Annual Non-Profit Food Service Costs – The fields in this section are calculated percentage of budgeted administrative expenses compared to projected reimbursement and the percentage of budgeted expenses for food compared to projected reimbursement.

- **Administrative Cost charged to Program should not exceed 15% of Projected Annual CACFP Reimbursement** – Per the Code of Federal Regulations(CFR)226.16(b)(1), a sponsoring organization's administrative costs cannot exceed 15% of their reimbursement. This field is informational only. Your CACFP Specialist will contact you, if corrections are necessary.

- **Percentage of Annual Food Costs compared to Projected Annual Reimbursement** – Arizona requires CACFP sponsors to expend a minimum of 50% of their Projected Annual Reimbursement on Food purchases. This field is informational only. Your CACFP Specialist will contact you, if corrections are necessary.