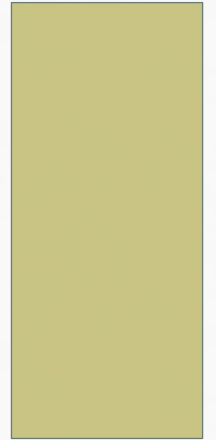


COMPENSATION TOOL

CACFP



PURPOSE

- To establish a method for determining reasonable and allowable total compensation (salaries and benefits) as determined by 2 CFR 200.430(b) and FNS 796.2 Rev. 4.
 - **Allowability** – Costs must meet the following factors:
 - Necessary. The cost must represent an activity or function that is generally recognized as reasonable and necessary for the operation of the program.
 - To determine if a cost is necessary the State agency MUST consider if it is needed for the operation of the program. Is this cost item needed to fulfill proper administration of the Program?
 - Reasonable. The type and amount of cost must not exceed what a prudent person would pay under the same circumstances.

HOW TO USE THE COMPENSATION TOOL

- The Compensation Tool is an excel spreadsheet with multiple tabs. Click on the tab to access the spreadsheet you want to view.



- Instructions – Provides examples and helpful hints on how to use the tool
- Input – Data entry
- Dashboard
- Job Descriptions examples
- State Data

INSTRUCTIONS

Hint: In the tool click on the instructions tab



- VIEW ONLY. Data entry is entered into the Input tab.
- Read the instructions carefully as they will guide you on how to complete the Input tab and read the Dashboard tab.
- CE examples and taxable program information are for illustrative purposes only.
- The Current CACFP Reimbursement rates are correct.
- If you receive a “macros” error then ensure macros is enabled in your version of Excel as needed.

INSTRUCTIONS

- Assumptions statement:


Assumptions (As indicated in FNS 796-2 Rev. 4, 2 CFR 200 & other applicable USDA Guidance)

- All participating institutions **operate a nonprofit food service** principally for the benefit of enrolled participants.
- There are adequate resources (**non-program funds**) to pay institution obligations during temporary interruptions in CACFP payments and non-food service obligations.
- Compensation charged to the nonprofit food service account is for **work rendered to the program** not by the job title of the individual but by the work rendered to the nonprofit food service.

INSTRUCTIONS

- Example of CE information
 - Organization Information
 - CE ID
 - CE Name
 - County (will use drop down box to select)
 - #of Centers
 - #of DCH sites
 - Projected Reimbursement
(automatically generated later by tool).

**Refers to the
Projected
Program
Reimbursement**



Organization Information	
CE ID	05555
CE Name	Example CE #1
County	Harris County
# of Center Sites	115
# of DCH Sites	301
Projected Program Reimbursement	\$12,289,620.00

INSTRUCTIONS

- Projected Program Reimbursement
 - Reimbursement for each program.

The input screen is designed to allow for data entry of organization information and to define the personnel roles and taxable program income for each program.

Input projected program reimbursement for each program in the designated location.

Name:	Example CE 2		
Region:	Houston-The Woodlands-Sugar Land MSA		
Projected Program Reimbursement			
CCC		ADC	DCH
\$ 12,039,505.45		\$ -	\$289,296.00

Do not include Cash-In-Lieu reimbursement in the reimbursement total(s) for CCC and ADC.

INSTRUCTIONS

- Staff information (input into the correct program)

1. A drop down is used to select the appropriate personnel category. Click on the [Job Description examples](#) tab to assist in categorizing staff.

2. The amount of time worked on program business daily will be entered into the **Program Hours** column.

3. The yearly taxable program income will be entered into the **CCC, ADC or DCH Individual Tax. Prg. Income** column as appropriate. Taxable program income = income **minus** benefits.

Using the drop down, pick the appropriate personnel category. Populate the total Taxable Program Income for that staff member. The Max Regional Range column will indicate if the assigned salary meets the reasonable criteria.

Input yearly taxable program income (Income minus benefits) in these columns.

Personnel & Taxable Program income	CCC Program Hours	CCC individual Tax. Prg. Income
Executive Staff	5	\$ 152,100.00
Executive Staff	5	\$ 138,600.00
Managers	5	\$ 30,000.00
Managers	9	\$ 49,749.00
Staff	0	\$ -

INSTRUCTIONS

- Max Regional Range
 - The Compensation tool will analyze the program hours and taxable income and then indicate if taxable income is within range or not.
 - A red “**NO**” indicates the compensation is not within Max Regional Range.
 - A green “**YES**” does not indicate approval of the taxable income as other factors must be considered:

Max regional Range by position <small>*Based on time spent in federal food service program</small>	Is Compensation within Max Regional Range?
\$149,392.05	No
\$149,392.05	No
\$109,954.95	Yes
\$109,954.95	Yes
\$4,006.35	No

- Management plan/compensation policy
- Benefit costs
- Salary information entered into the budget detail in TX-UNPS
- Allowable, reasonable and necessary cost

Reminder: Salary increases are reviewed for possible approval when submitted in the budget detail in TX-UNPS.

INSTRUCTIONS

- Benefit Range
 - The compensation tool automatically calculates the Benefit range based upon taxable program income data entered into the input tab.
 - Benefits listed in TX-UNPS in the Budget detail should not exceed this range for the corresponding staff member.
 - Benefits listed in TX-UNPS in the Budget detail must match the organization's management plan.

Benefit range (Program Income X 30.3%)	
\$	46,086.30
\$	41,995.80
\$	9,090.00
\$	15,073.95
\$	-

INSTRUCTIONS

- Dashboard –
 - Display the totals from the previous page by program.
 - Provides useful information to help determine if total taxable income for administrative costs are below the 15% for Centers and under the DCH allowed allocation.

Hint: Enter only administrative taxable program income to begin with in the **Input** tab to ensure they are within the allowable range. If both operating and administrative taxable income are entered in the **Input** tab the Salary Tool will calculate both percentages.

Dashboard		The dashbord displays the totals from the previous page and the administrative allocation amounts. These amounts are used to determine if taxable individual program income is allowable.			
Salary Analysis					
Example CE 2					
Region	Houston-The Woodlands-Sugar Land MSA			CE ID	00002
		# CCC Sites	115	# DCH Sites	301
Org. Size:	Large				
Projected Program Reimb. Range	2.5M+	CCC	ADC	DCH	Total
Projected Reimbursement	\$ 12,039,505.45	\$ -	\$ 289,296.00	\$ 12,328,801.45	
DCH Administrative Allocation				\$ 303,204.00	
15% Allowable Admin. Allocation	\$ 1,805,925.82	\$ -		\$ 1,805,925.82	
DCH Allowable Admin. Allocation			\$ 303,204.00	\$ 303,204.00	
Total				\$ 2,109,129.82	
Tax. Income cost charged to Program	\$ 667,548.00	\$ -	\$ 191,783.67	\$ 859,331.67	
% of Admin Allocation toward income	36.96%		63.25%	40.74%	

INSTRUCTIONS

- Current CACFP Reimbursement Rates includes:
 1. Rates per meal in centers
 2. Rates per meal in day care homes
 3. Rates for at-risk afterschool meals
 4. Administrative Rates for sponsoring organizations of day care homes.

Current CACFP Reimbursement Rates

NOTE: All Sponsors are reminded that per 7 CFR 226.16 (g) & (h), they are required to make payments to their centers and/or providers within five (5) working days of the receipt of their claim payment from TDA.

1

Rates per meals served in adult day care centers and child care centers

	Breakfast	Lunch/Supper	Snacks
Paid	\$0.29	\$0.30	\$0.07
Reduced	\$1.41	\$2.76	\$0.43
Free	\$1.71	\$3.16	\$0.86

2

Rates per meal served in day care

	Breakfast	Lunch/Supper	Snacks		Breakfast	Lunch/Supper	Snacks
Tier 1	\$1.31	\$2.46	\$0.73				
Tier 2	\$0.48	\$1.49	\$0.20				

3

Rates for At-Risk Afterschool Meals

	Breakfast	Lunch/Supper	Snacks
Free	\$1.71	\$3.16	\$0.86

4

Administrative rates for sponsoring organizations of day care homes (per home per month)

Initial 50 Day Care Homes (1 through 50)	\$112.00
Next 150 Day Care Homes (51 through 200)	\$86.00
Next 800 Day Care Homes (201 through 1000)	\$67.00
Additional Day Care Homes (1001 and over)	\$59.00


INSTRUCTIONS

- Recap of Instructions tab:
 - View only – not editable
 - Explains the other tabs in the tool

Remember, the compensation tool is a spreadsheet and is only as accurate as the data entered.



INPUT

- Data entry tab 

Hint: In the tool click on the input tab.
- Tips for navigating an excel spreadsheet:
 - Be careful when using “tab” as it may navigate to a cell that is not editable.
 - Pop-up information may appear for some cells providing further guidance.

INPUT: ORGANIZATION INFORMATION

1. Enter the 5 digit CE ID number (if not known leave blank)
2. Enter CE Name
3. Choose the county your organization is located in by clicking on the drop down (do not type in the name of the county, this will create an error)
4. Enter the # of Center Sites if applicable (include all Center type sites)
5. Enter the # of DCH providers (if applicable)

Organization Information	
CE ID	05555
CE Name	Example CE #1
County	Harris County
# of Center Sites	115
# of DCH Sites	301
Projected Program Reimbursement	\$12,289,620.00

Auto populates

NOTE: The Projected Program Reimbursement will auto populate based upon amounts entered in the next section the Projected Program Reimbursement Section. Do not enter information in this section.

INPUT: ORGANIZATION INFORMATION

- Example of a completed Organization Information section.

Organization Information	
Select CE ID	07777
CE ID	07777
CE Name	Texas 123
County	Harris County
# of Center Sites	250
# of DCH Sites	100
Projected Program Reimbursement	\$0.00

CE name and Region are also auto-populated based upon information entered into the Organization Information Section.

Name:	Texas 123
Region:	Houston-The Woodlands-Sugar Land MSA

INPUT: PROJECTED PROGRAM REIMBURSEMENT

- Enter the projected program reimbursement amount by program.
- Leave the cell blank if your organization does not participate in that particular program.

Projected Program Reimbursement		
CCC	ADC	DCH
\$ -	\$ -	\$ -

Do not include Cash-In-Lieu reimbursement in the reimbursement total(s) for CCC and ADC.

INPUT: PROJECTED PROGRAM REIMBURSEMENT

- When the projected program reimbursement is entered it will auto-populate the cell in the Organization information section.

Projected Program Reimbursement		
CCC	ADC	DCH
\$ 650,000.00	\$ -	\$ 150,000.00

- $\$650,000 \text{ (CCC)} + \$150,000 \text{ (DCH)} = \$800,000$.

Projected Program Reimbursement	\$800,000.00
---------------------------------	--------------

INPUT: PERSONNEL DATA

1. Use the drop down to select the personnel categorical role not an editable field.

Hint: Refer to the Job Description examples tab for more information about each personnel categorical role.

Personnel & Taxable Program income

0

0

0

0

0

0

0

0

Personnel Using dropdown, select personnel Categorical role

Select from:
 Executive Staff
 Managers
 Compliance
 Finance
 General Office Staff

2. Fill in the number of hours worked and the taxable program income amount per program as applicable for the staff member.

Personnel & Taxable Program income	CCC Program Hours	ADC Program Hours	DCH Program Hours
Executive Staff	7	0	1
	\$ 110,000.00	\$ -	\$ 20,000.00

INPUT: PERSONNEL DATA

When the Personnel and Taxable Program Income section is completed the compensation tool will automatically calculate:

- **1** If the taxable program income is within the max regional range by position based on time spent in federal food service program AND
- **2** If the taxable program income is within the Max Regional Range.

NOTE: Data results from this section of the tool does not indicate approval of the entered taxable program income by TDA. Approval is only given in the Budget Detail in TX-UNPS.

1 Max regional Range by position <small>*Based on time spent in federal food service program</small>	2 Is Compensation within Max Regional Range?
\$160,955.56	Yes

INPUT: PERSONNEL DATA

- Benefit Range (**Program Income X 30.3%**)

- The compensation tool automatically calculates the Benefit range based upon taxable program income data already entered into the other sections of the Personnel data per staff member.
- Benefits listed in TX-UNPS in the Budget detail should not exceed this range. If a specific employee's benefits exceeds the Benefit Range then provide the details of the extenuating circumstances to TDA via upload in TX-UNPS or email. Approval is only given in the budget detail in TX-UNPS.

Hint: To learn about the 30.3% benefit allowance click on the BLS link in the Compensation Component in the State Data tab.

Benefit range (Program Income X 30.3%)	
\$	46,086.30
\$	41,995.80
\$	9,090.00
\$	15,073.95
\$	-

INPUT

- Recap of the INPUT tab:
 - Data entry tab
 - Captures both CE and Personnel Information
 - Provides immediate analysis of compensation entered
 - The INPUT tab does not indicate approval. All compensation and salary information is approved ONLY through the Budget Detail in TX-UNPS

Remember, the compensation tool is a spreadsheet and is only as accurate as the data entered.

DASHBOARD

Hint: In the tool click on the Dashboard tab

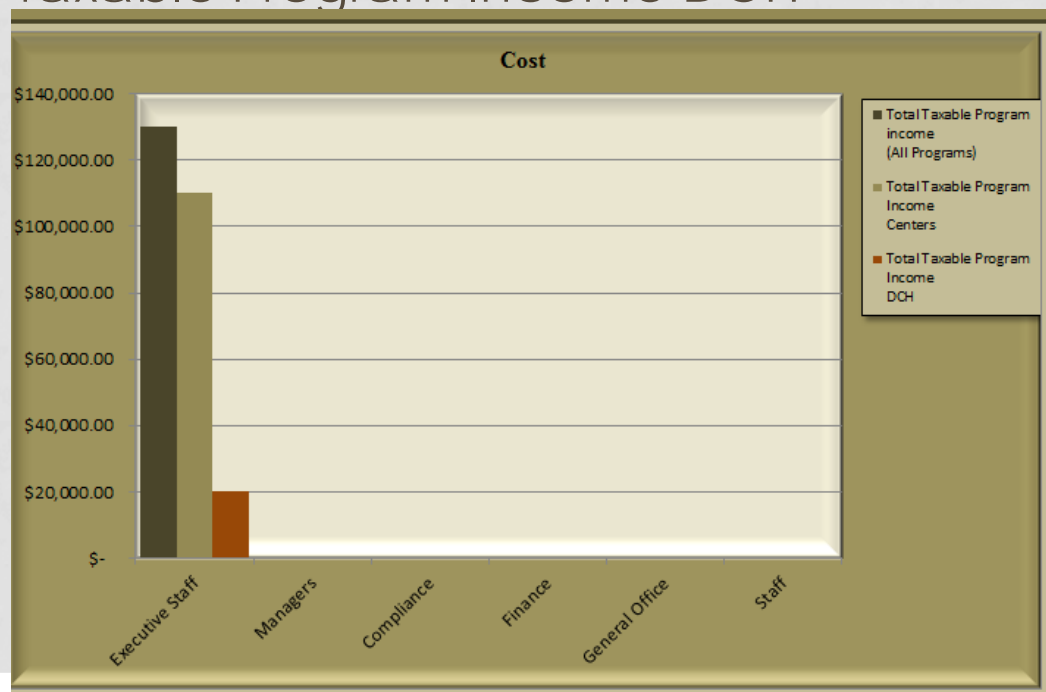


- The Dashboard provides an overview of all information entered in the Input section.
- Notice the red **x** indicating that the CE is not within the 15% administrative allocation in the Salary Analysis Section.

Salary Analysis					
Texas 123					
Region	Houston-The Woodlands-Sugar Land MSA			CE ID	07777
	# CCC Sites	250	# DCH Sites	100	
Org. Size:	Medium				
Projected Program Reimb. Range	300 - 999K	CCC	ADC	DCH	Total
Projected Reimbursement	\$ 650,000.00	\$ -	\$ 100,000.00	\$ 750,000.00	
DCH Administrative Allocation				\$ 118,800.00	
15% Allowable Admin. Allocation	\$ 97,500.00	\$ -		\$ 97,500.00	
DCH Allowable Admin. Allocation			\$ 118,800.00	\$ 118,800.00	
Total				\$ 216,300.00	
Tax. Income cost charged to Program	\$ 140,000.00	\$ -	\$ 20,000.00	\$ 130,000.00	
% of Admin Allocation toward income	✘ 112.82%		✔ 16.84%	✔ 60.10%	

DASHBOARD

- The Cost section Chart in the Dashboard provides by position:
 - Total Taxable Program Income (all programs)
 - Total Taxable Program Income Centers
 - Total Taxable Program Income DCH



DASHBOARD

- CE Taxable Program Income Analysis Data

The tool provides the following information for each position with completed data:

1. Taxable Program Income Per Category
2. # of Staff by Category
3. Total Taxable Program Income Centers
4. % of Administrative Allocation Centers

	1 Taxable Program Income Per Category			2 # of Staff by Category			3 Total Taxable Program Income Centers	4 % of Administrative Allocation Centers
	CCC	ADC	DCH	CCC Staff	ADC Staff	DCH Staff		
Executive Staff	\$ 110,000.00	\$ -	\$ 20,000.00	1	-	1	\$ 110,000.00	112.82%
Managers	\$ -	\$ -	\$ -	-	-	-	\$ -	0.00%
Compliance	\$ -	\$ -	\$ -	-	-	-	\$ -	0.00%
Finance	\$ -	\$ -	\$ -	-	-	-	\$ -	0.00%
General Office Staff	\$ -	\$ -	\$ -	-	-	-	\$ -	0.00%
Total	\$ 110,000.00	\$ -	\$ 20,000.00	1	-	1	\$ 110,000.00	112.82%

DASHBOARD

- CE Taxable Program Income Analysis Data (cont.)
 - Total Taxable Program Income DCH
 - % of Administration Allocation DCH
 - Total Taxable Program Income (All Programs)
 - % of Administration Allocation
 - Is Taxable Program Income allocated within an allowable range? **Below 15% Admin for Centers, Under DCH admin allocation (Yes or No)**

5 Total Taxable Program Income DCH	6 % of Administrative Allocation DCH	7 Total Taxable Program income (All Programs)	8 % of Administrative allocation	9 Is Taxable Income allocated to program within an allowable range? Below 15% Admin allocation for Centers, Under DCH admin allocation.
\$ 20,000.00	16.84%	\$ 130,000.00	60.10%	No
\$ -	0.00%	\$ -	0.00%	
\$ -	0.00%	\$ -	0.00%	
\$ -	0.00%	\$ -	0.00%	
\$ -	0.00%	\$ -	0.00%	
\$ -	0.00%	\$ -	0.00%	
\$ -	0.00%	\$ -	0.00%	
\$ 20,000.00	16.84%	\$ 130,000.00	60.10%	

DASHBOARD

- Recap of the DASHBOARD tab:
 - Provides analysis of the results from the INPUT tab
 - Indicates if program taxable income is within allowed ranges
 - Captures both CE and Personnel Information
 - Provides Graphics useful in determining compensation costs and CE information.

JOB DESCRIPTION EXAMPLES

Hint: In the tool click on the Job Description examples tab [Job Description examples](#)

- The Job Description examples tab contains the following resources:
 - Categorical roles – Provides a description of the roles by staff category – Executive, Managers, Compliance, Finance, General Office and Staff, Operations
 - Explanation of the industry type set F&N uses – Subsector 624 in The North American Industry Classification System (NAICS).
 - SET Categorical role to position title examples for classification purposes.

STATE DATA

Hint: In the tool click on the State
Data tab 

- The State Data tab contains the following information -
 - Median Salaries as reported by the Texas Workforce Commission for:
 - Dallas – Fort Worth – Arlington
 - Houston – The Woodlands – Sugar Land
 - San Antonio – New Braunfels
 - Texas
 - Current CACFP Reimbursement Rates
 - Compensation Component:

Compensation component	Private industry
Wages and salaries	69.70%
Benefits	30.30%
Reference	BLS



TEXAS DEPARTMENT OF AGRICULTURE COMMISSIONER SID MILLER

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