COMPENSATION TOOL
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.
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 Description examples
- State Data
INSTRUCTIONS

• 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.
• 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).

<table>
<thead>
<tr>
<th>CE ID</th>
<th>CE Name</th>
<th>County</th>
<th># of Center Sites</th>
<th># of DCH Sites</th>
<th>Projected Program Reimbursement</th>
</tr>
</thead>
<tbody>
<tr>
<td>05555</td>
<td>Example CE #1</td>
<td>Harris County</td>
<td>115</td>
<td>301</td>
<td>$12,289,620.00</td>
</tr>
</tbody>
</table>

Refers to the Projected Program Reimbursement
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.

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 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.
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:
    - 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.
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 tab to ensure they are within the allowable range. If both operating and administrative taxable income are entered in the tab the Salary Tool will calculate both percentages.
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.
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.
• Data entry 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)

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.
Example of a completed Organization Information section.

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

Do not include Cash-In-Lieu reimbursement in the reimbursement total(s) for CCC and ADC.
When the projected program reimbursement is entered it will auto-populate the cell in the Organization information section.

$650,000 (CCC) + $150,000 (DCH) = $800,000.
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.

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

• Benefit Range \((\text{Program Income} \times 30.3\%\))

• 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.

<table>
<thead>
<tr>
<th>Benefit range</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>((\text{Program Income} \times 30.3%))</td>
<td>($)</td>
</tr>
<tr>
<td></td>
<td>46,086.30</td>
</tr>
<tr>
<td></td>
<td>41,995.80</td>
</tr>
<tr>
<td></td>
<td>9,090.00</td>
</tr>
<tr>
<td></td>
<td>15,073.95</td>
</tr>
<tr>
<td></td>
<td>-</td>
</tr>
</tbody>
</table>
• 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.
The Dashboard provides an overview of all information entered in the Input section.

Notice the red × indicating that the CE is not within the 15% administrative allocation in the Salary Analysis Section.

<table>
<thead>
<tr>
<th>Region</th>
<th>Houston-The Woodlands-Sugar Land MSA</th>
<th># CCC Sites</th>
<th>250</th>
<th># DCH Sites</th>
<th>100</th>
</tr>
</thead>
<tbody>
<tr>
<td>Org. Size:</td>
<td>Medium</td>
<td>Projected Program Reimb. Range</td>
<td>300 - 999K</td>
<td>CCC</td>
<td>ADC</td>
</tr>
<tr>
<td>Projected Reimbursement</td>
<td>$ 650,000.00</td>
<td>$ -</td>
<td>$ 100,000.00</td>
<td>$ 750,000.00</td>
<td>$ 118,800.00</td>
</tr>
<tr>
<td>15% Allowable Admin. Allocation</td>
<td>$ 97,500.00</td>
<td>$ -</td>
<td>$ 118,800.00</td>
<td>$ 97,500.00</td>
<td>$ 118,800.00</td>
</tr>
<tr>
<td>Total</td>
<td>$ 747,500.00</td>
<td>$ -</td>
<td>$ 219,800.00</td>
<td>$ 847,300.00</td>
<td>$ 237,600.00</td>
</tr>
<tr>
<td>Tax. Income cost charged to Program</td>
<td>$ 410,000.00</td>
<td>$ -</td>
<td>$ 20,000.00</td>
<td>$ 430,000.00</td>
<td>$ 60,100.00</td>
</tr>
<tr>
<td>% of Admin Allocation toward income</td>
<td>112.82%</td>
<td>16.84%</td>
<td>60.10%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
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**

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

<table>
<thead>
<tr>
<th></th>
<th>CCC</th>
<th>ADC</th>
<th>DCH</th>
<th>CCC Staff</th>
<th>ADC Staff</th>
<th>DCH Staff</th>
<th>Total Taxable Program Income Centers</th>
<th>% of Administrative Allocation Centers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Staff</td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>$110,000.00</td>
<td>112.82%</td>
</tr>
<tr>
<td>Managers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$</td>
<td>0.00%</td>
</tr>
<tr>
<td>Compliance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$</td>
<td>0.00%</td>
</tr>
<tr>
<td>Finance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$</td>
<td>0.00%</td>
</tr>
<tr>
<td>General Office</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$</td>
<td>0.00%</td>
</tr>
<tr>
<td>Staff</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$</td>
<td>0.00%</td>
</tr>
<tr>
<td>Total</td>
<td>$110,000.00</td>
<td>$</td>
<td>$20,000.00</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>$110,000.00</td>
<td>112.82%</td>
</tr>
</tbody>
</table>
### CE Taxable Program Income Analysis Data (cont.)

5. Total Taxable Program Income DCH
6. % of Administration Allocation DCH
7. Total Taxable Program Income (All Programs)
8. % of Administration Allocation
9. Is Taxable Program Income allocated within an allowable range? **Below 15% Admin for Centers, Under DCH admin allocation** (Yes or No)

<table>
<thead>
<tr>
<th></th>
<th>% of Administrative Allocation DCH</th>
<th>% of Administrative Allocation (All Programs)</th>
<th>Is Taxable Income allocated to program within an allowable range?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Taxable Program Income DCH</td>
<td>Total Taxable Program Income (All Programs)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$ 20,000.00</td>
<td>16.84%</td>
<td>$ 130,000.00</td>
<td>Below 15% Admin allocation for Centers, Under DCH admin allocation.</td>
</tr>
<tr>
<td>$ 0.00</td>
<td>0.00%</td>
<td>$ 0.00</td>
<td>No</td>
</tr>
<tr>
<td>$ 0.00</td>
<td>0.00%</td>
<td>$ 0.00</td>
<td>No</td>
</tr>
<tr>
<td>$ 0.00</td>
<td>0.00%</td>
<td>$ 0.00</td>
<td>No</td>
</tr>
<tr>
<td>$ 0.00</td>
<td>0.00%</td>
<td>$ 0.00</td>
<td>No</td>
</tr>
<tr>
<td>$ 20,000.00</td>
<td>16.84%</td>
<td>$ 130,000.00</td>
<td>Below 15% Admin allocation for Centers, Under DCH admin allocation.</td>
</tr>
</tbody>
</table>
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.
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
- SET Categorical role to position title examples for classification purposes.
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:

<table>
<thead>
<tr>
<th>Compensation component</th>
<th>Private industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages and salaries</td>
<td>69.70%</td>
</tr>
<tr>
<td>Benefits</td>
<td>30.30%</td>
</tr>
</tbody>
</table>

Reference: BLS
In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, sex, disability, age, or reprisal or retaliation for prior civil rights activity in any program or activity conducted or funded by USDA.

Persons with disabilities who require alternative means of communication for program information (e.g. Braille, large print, audiotape, American Sign Language, etc.), should contact the Agency (State or local) where they applied for benefits. Individuals who are deaf, hard of hearing or have speech disabilities may contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program complaint of discrimination, complete the USDA Program Discrimination Complaint Form (AD-3027) found online at: http://www.ascr.usda.gov/complaint_filing_cust.html, and at any USDA office, or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by:

(1) mail: U.S. Department of Agriculture
        Office of the Assistant Secretary for Civil Rights
        1400 Independence Avenue, SW
        Washington, D.C. 20250-9410;

(2) fax: (202) 690-7442; or

(3) email: program.intake@usda.gov

This institution is an equal opportunity provider.