The following are answers to questions received from sponsors who attended the February 13, 19, & 21, 2002, Financial Management in the CACFP Training conducted by Special Nutrition Programs (SNP).

Travel

1. Allowable Costs: Can staff leaving from their home to conduct monitoring and preapprovals be paid for mileage and per diem?

   Yes. Travel costs are expenses for transportation, lodging and food for employees performing program work.

2. Allowable Costs: Can staff leaving from the secondary business office to conduct monitoring and preapprovals be paid for mileage and per diem?

   Yes. See #1 above

3. When traveling for monitoring out-of-town, away from home office (e.g. Monitoring in San Antonio/Austin home office in Fort Worth), can sponsor expense meals and lodging (Per Diem)?

   Yes. See #1 above

4. Monitors work from their homes. They monitor, attend training, give workshops, etc. from home. There is no desk or workplace available for them at the office. Is their mileage to the office to pick up supplies or attend training reimbursable? We do not consider them commuters.

   You may use IRS guidelines to claim travel for these employees.

5. Per Diem - Our organizations handbook has a statement that meals are reimbursable if employee is 50 miles from home or office - is this allowable?

   Yes. Costs for program travel may be charged at a rate consistent with those allowed by the organization in its nonprogram operations.

6. Since mileage rates were limited to .28 per mile based on State reimbursement level, can we recover the retroactive difference back to 9/1/01 when State rate increased to .345 per mile? No information was disbursed about the rate change to sponsors.
If your organization's approved budget has a line item for Travel and that line item has a balance you can amend your claim(s) to increase the amount of travel reimbursement. However, you may not decrease any other line item on a previously submitted claim to compensate for the increase in travel. The amended claim would be to increase the amount of travel expenses reported for the months being amended and therefore increase the overall total amount claimed. You may not include the total amount of mileage increase in one claim. Please note that upward adjusted amended claims must be postmarked or received no later than 60 days after the last day of the claim month.

7. Can mileage be paid to monitor starting point home to 1st monitor visit and also going back home?

Yes. See #1 above.

8. Organization pays a set amount each month that is reasonable & necessary for use of an individual's auto - is this allowable?

No, the Circulars do not provide for this type of compensation.

Meetings and Conferences

9. We do not know specific training opportunities for the next year, but we can submit some documentation. We also have a history of what these meetings cost. Can we submit the entire budget for approval and then the specific meeting agenda as available?

Yes, you may submit your entire estimated budget for approval. You will only need to submit meeting agendas when you are requesting specific prior written approval to attend an event when the CACFP is only a portion of the larger child and adult care related agenda. All other meeting agendas should be maintained in your records for inspection during an administrative review.

Multiple/General

10. In order to remain CACFP eligible, providers must comply with DPRS licensing regulations and standards. Are these considered non-CACFP for newsletters & workshops?

Yes. Remember that minor amounts incurred for participant training on non-CACFP requirements or subjects when the costs are incidental are allowable.

11. Can the military bases have their own training? Much of this training does not apply to the military, but we need to ensure we are documenting these rules and requirements.

We have not planned any training specifically for military bases. All of these rules and requirements for financial management apply to military bases that participate in the CACFP. However, because military bases are under federal control you may have additional rules and regulations that you must comply with.

Communications

12. Cell phone service providers will not allow phone service in a non-profit name because they have no assets.
The cell phone service contract is therefore in my own name, not the agency's. Is this an allowable expense?

No, the concept that nonprofits have no assets is flawed. It is our understanding that a significant number of nonprofit organizations have corporate cell phone accounts. Because the cell phone service is in the name of the individual, this expense is not an allowable communication expense, however, it can be a compensation cost by increasing the employee's salary by the cost of the share of the cell phone attributable to program use.

13. Organization pays a set amount each month that is reasonable & necessary ($20.00 to $30.00) for use of a cell phone that the individual owns - is this allowable?

No. Supplies or services leased or purchased by individuals are unallowable communication expenses. In addition, the amount paid to the individual is not based on actual program and nonprogram use.

Membership, Subscriptions and Professional Organization Activities

14. Training Costs - It costs $25-50 per session to rent a room for training - if we join the Chamber of Commerce for $60.00 a year we can use their room free for unlimited times per year. This would save money - would this be allowable?

With specific prior written approval of Food & Nutrition Services Regional Office, costs for public and non-profit organization memberships in civic or community organizations is allowable.

Labor

15. As long as it is disclosed, can two organizations share a monitor who can document mileage and time separately for the two organizations?

According to IRS-Based Performance Standards, CACFP DCH Handbook II-5 to II-6, "no person receiving compensation for services under CACFP may receive compensation for services from any other sponsoring organization". We will research the current applicability of the rule and notify you of any change.

16. If the nonprofit CACFP sponsor only receives funds from the CACFP, does not have any other grant, etc., & all expenses are allowable costs can they omit the time distribution report? If not what detail is necessary?

If an employee spends 100% of their time on food service duties they may sign a certification statement monthly indicating that they work a set schedule and did not deviate from that schedule. See Policy Alert CACFP DCH 2002-6.

17. Employee Morale & Welfare: The records showing that the organization had the morale & welfare benefit prior to entering the CACFP are unavailable because the organization has been in the CACFP for 20 years and did not know that these records would be necessary in the future. Can the organization continue to claim the costs without actual written documentation?

According to USDA, if there is no documentation to support that the organization had the benefit prior to entering the CACFP the cost is not allowable.
Materials and Supplies

18. Printed materials that are printed for your organization such as envelopes and letterhead forms that have to be altered from their original printed state (i.e. statement marked out & new statement stamped on form). Question - Expensing of these items immediately since they are not returnable to the printer should be proper?

When expendable material and supply purchases exceed more than on month's usage, allowable material and supply costs are limited to the cost of the item actually used for the program during the month.

19. If you purchase items (supply cost) such as forms for 6 months may we assume that the forms will be used equally each month and expense the same amount each month until entirely costed?

When expendable material and supply purchases exceed more than on month's usage, allowable material and supply costs are limited to the cost of the item actually used for the program during the month.

Rental

20. If we rent a building & need new carpet & the Landlord won't put it in, is this expense allowable? Do we need prior written approval? (Not a capital improvement).

The cost for any rearrangement and alteration to rental space is an unallowable cost. See page 35 of the FNS Ins. 796-2, Rev. 3.