Section 2: Financial Viability & Controls FY21

Business operations

1. Is the Sponsor multi-purpose? (Is this sponsor engaged in any business activities outside of, or in addition to CACFP?) ☐ Yes ☐ No

   If yes, explain:

   _____

2. Is this Sponsor multi-state? ☐ Yes ☐ No

   If yes, explain:

   _____

Over-claims

1. The Sponsor's procedure for the repayment of fiscal over-claims to the State agency is:

_____

2. The fiscal over-claim repayment procedure is based on a (Check applicable basis):

   ☐ Contractual ☐ State Insured ☐ Cash Reserves

Administrative Labor - Wages and Benefits

1. The Sponsor reports salary information for each position funded by CACFP as well as the percentage funded by CACFP. Information is reported on the Staff Salary Table annually as part of the renewal update procedure. Significant changes are reported to the State agency as they occur.

2. The Sponsor prepares time sheets by fund account, reflecting actual hours spent performing work related to CACFP. See FNS 796-2 rev.3, Labor Costs, Section VIII (I) (23) (a-j).

3. CACFP staff time sheets are approved by _____
   Name and title of authorized signatory

4. Fringe Benefits for the Sponsor's employees include:

_____

5. The Sponsor's personnel policies are in written format and **forbid CACFP signup bonuses or incentives based on recruitment of Providers.** These policies apply consistently to all personnel.

Facility Rental or Lease

1. The Sponsor makes a reasonable determination of the options for rental property based on the type, life expectancy, condition, and value of the facility/property.

2. The Sponsor reasonably prorates the costs associated with a rented property considering cost and size of the property, as well as the value of the land and IRS rules governing business use of one's home.

3. A sponsor must conduct CACFP business in a rented, leased or owned facility that is a place of business and is not a private residence. A sponsor may not operate the CACFP Program out of an office in their home.

   The Sponsor (Check applicable status):

   ☐ *owns* ☐ *rents* ☐ *leases* their CACFP office space.

4. The Sponsor has a written financial or procedural policy regarding the depreciation schedule for any owned building(s).

5. Venues used for CACFP training of Providers must be smoke-free, drug-free, alcohol-free, proper emergency exits and safety elements, and provide access for disabled persons to enter the facility to attend the training.

6. The Sponsor is prohibited from conducting a CACFP training for Providers in a private residence or on anyone's residential property.

Budget Items

The Sponsor's accounting method is:

☐ Cash basis (expenses and income reported when paid/received).

☐ Accrual basis (expenses and income recorded when incurred).

1. The Sponsor, at a minimum, submits an original budget for State agency approval during the renewal process, and a final budget documenting actual expenditure at the end of each Federal Fiscal Year (FFY), which is submitted to the State agency within 3 months of the FFY end being reported.

2. The Sponsor submits requests for budget line item changes, including budget total changes to the State agency in written format. Requests for changes to the total budget amount include justification.

3. The Sponsor with multiple funding sources submits a cost allocation plan for approval with the budget each FFY, or submits a cost allocation plan as approved by the appropriate cognizant agency (agencies). The cost allocation plan for the Sponsor designates the institution's actual time/space usage for CACFP; treats utility and maintenance cost the same as the building's space costs; addresses the communications systems in use; includes allocation of printing and photocopying costs; and includes the allocation of all other shared costs. The Sponsor submits revised cost allocation plans for approval by the State agency as changes occur.

Janitorial Services, Utilities: The Sponsor plan for utility costs is based on past history and makes a reasonable allowance for predictable increases.

Equipment: The Sponsor documents equipment costs with a description of the item and includes all components needed to properly operate it.

Office Supplies: The Sponsor evaluates the existing office supply inventory before determining office supply costs for the upcoming year.

Printing, Photocopying: The Sponsor maintains information on the type of materials produced, quantities, and cost per unit.

Travel**:** In- and Out-of-State travel expenses are separated by employee, including destination, purpose of trip, agenda, content and materials, mileage, transportation, lodging, and per diem costs. Out-of-State travel expenses require Specific Prior Written Approval (SPWA) from the State agency.

Automobile Leases/Purchases: The Sponsor maintains documentation regarding the make of car, cost of lease/purchase, and nature, length, and terms of lease/purchase.

Mileage: The Sponsor maintains mileage logs detailing dates and times of travel, monitors' and others' names, beginning and ending odometer readings, purpose, and approving Sponsor official's signature.

4. **Section 2 as listed on the Management Plan:**

   2.1 Fiscal policies, current
   2.2 Administrative Budget
   2.3 Budget Narrative in a WORD document
   2.4 Approved carryover dollar amount, if any.
   2.5 Leases & Contracts- copy of current.
   2.6 Line-item Justifications if more than 5% of total budget
   2.7 Operation Expenses, Cost Allocation Plan and Depreciation Schedule
   2.8 Request(s) for Specific Prior Written Approval (SPWA)
   2.9 Staff Salaries Table
   2.10 Out-of-State Travel Justification

Disclosures

(FNS Instruction 796-2, Rev. 4, Page 15.) A separate Specific Written Prior Approval (SPWA) form must be completed for each disclosure that exists. Locate all SPWAs in Section 2.8.

1. Less than arm's length transaction (LTALT) - Transaction is one under which one party is able to control or substantially influence the actions of the other(s). LTALT must be accurately described. Include all current transactions and any planned transactions of this type:

   Does the sponsor engage in any less than arm's length transactions?

   ◯ Yes ◯ No

   If Yes, explain:

2. Related party transaction – Occurs between the institution and its parent corporation, corporate divisions, subsidiaries, an employee(s), officer(s), or agent(s) of the institution or members of their immediate family, either directly or indirectly.

   Does the sponsor have any related party transactions within the sponsoring organization and/or with day care home providers or their employees?

   ◯ Yes ◯ No

   If Yes, explain:

   Ownership interests in equipment, supplies, vehicles and facilities must be accurately described.

   Does the institution, its principals, employees, or consultants have any ownership interests that would enter into the State agency's assessment of the allowability of these or related costs?

   ◯ Yes ◯ No

   If Yes, explain:

Save Form Print Reset Form