



The Child and Adult Care Food Program

MEMORANDUM

TO: All Institutions Participating in the Child and Adult Care Food Program (CACFP))

FROM: *Norma Birckhead*
Norma Birckhead, Manager, CACFP and SFSP

SUBJECT: Assessing Costs in the Child and Adult Care Food Program

DATE: March 11, 2015

STATE AGENCY MEMO: CACFP #07-2015

The attached U.S. Department of Agriculture (USDA) Food and Nutrition Service (FNS) tip sheet on “Assessing Costs in the Child and Adult Care Food Program (CACFP)” provides guidance on the process State agencies and sponsors should use when considering proposed uses of the nonprofit food service account funds for CACFP-related costs.

State agencies and institutions have the discretion to determine the allow-ability of institutions to use nonprofit food service account funds to pay for costs following cost principle guidelines. In determining what proposed costs and related activities may be supported by the nonprofit food service account, an institution and State agency should assess the allow-ability of costs by considering the activity’s impact in supporting the operation and/or improvement of the CACFP. In doing so, an institution and State agency must consider whether the proposed cost is reasonable, necessary, and allocable in accordance with 2 CFR Part 200 “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart E – Cost Principles”.

The cost principles serve an extremely important function in considering proposed costs and assisting program operators in better understanding how nonprofit food service account funds are being used. The cost principles must be used for the purpose of cost determination and are not intended to dictate the extent of financial assistance for a particular cost objective.

If you have additional questions regarding the information contained in this guidance, please contact your CACFP Specialist or me at (202) 442-4010 or norma.birckhead@dc.gov.

