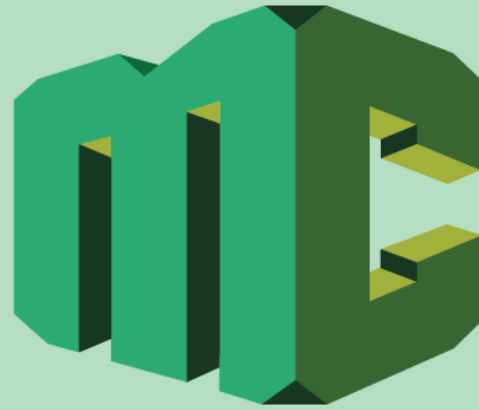


CACFP Financial Management & Top Findings



TEXAS DEPARTMENT OF AGRICULTURE
COMMISSIONER SID MILLER



Celia Garcia

Lead Compliance Financial Review Monitor

Adriana Hinojosa

Compliance Financial Review Monitor

Iyke Nwanji

Senior Administrative Review Specialist



Meet our Speakers



Celia Garcia

Lead Compliance Financial
Review Monitor



Adriana Hinojosa

Compliance Financial
Review Monitor



Iyke Nwanji

Senior Administrative
Review Specialist

Food & Nutrition Community Operations Division

What We Do





Resources & Questions





Acknowledgement Statement

You understand and acknowledge that:

- The training you are about to take does not cover the entire scope of the program; and that
- You are responsible for knowing and understanding all handbooks, manuals, alerts, notices, and guidance, as well as any other forms of communication that provide further guidance, clarification, or instruction on operating the program.



Why does this matter?



Collaboration



Compliance



Overview



Bridging the Language



Financial Management
Process



Frequently Encountered
Issues



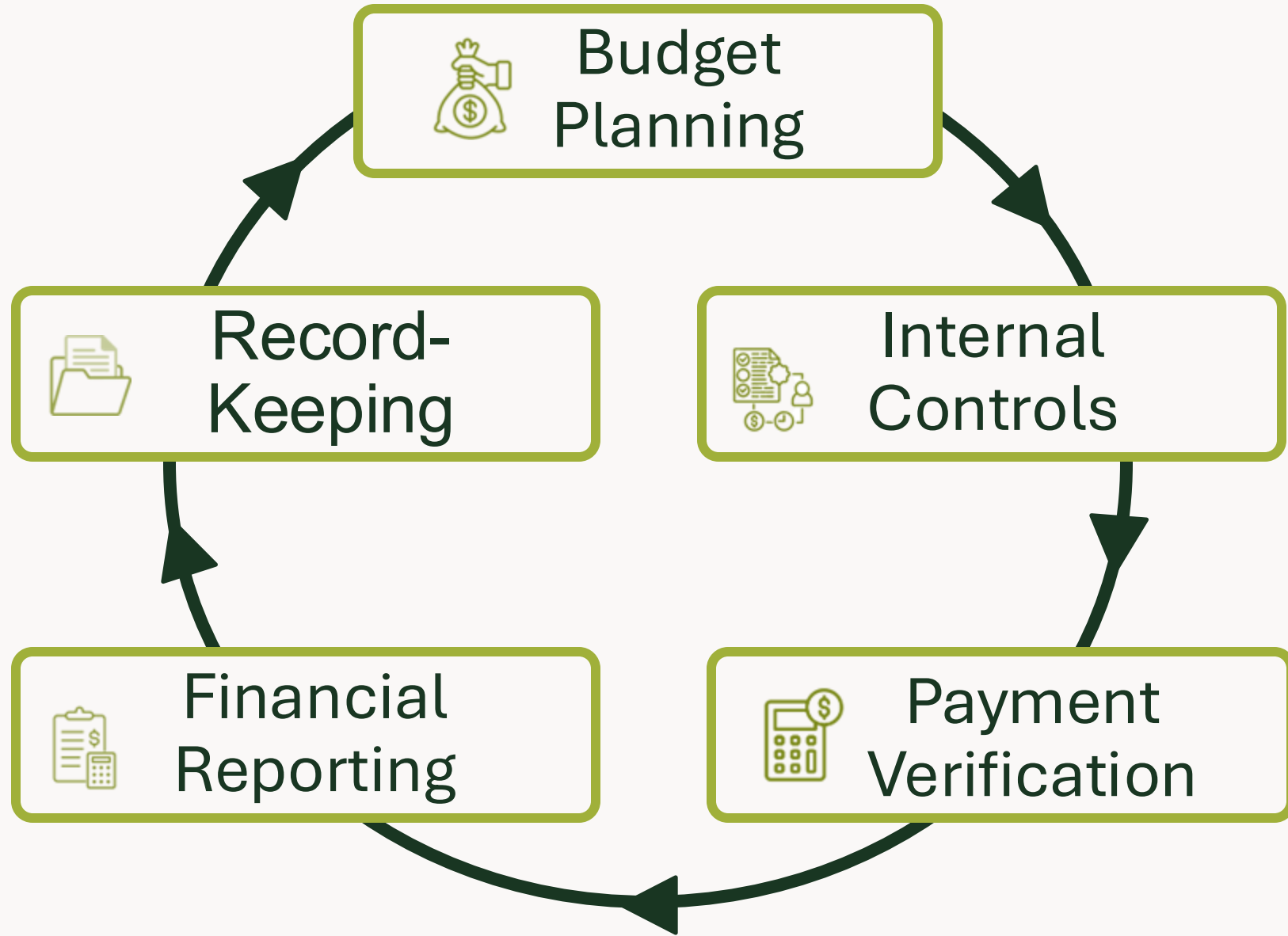
Scenarios



Q&A Time



Financial Management





Bridging the Language

General
Accounting

TDA
Administrative
Review



Administrative Review Language



Fiscal Action



Adverse Action



Bridging the Process

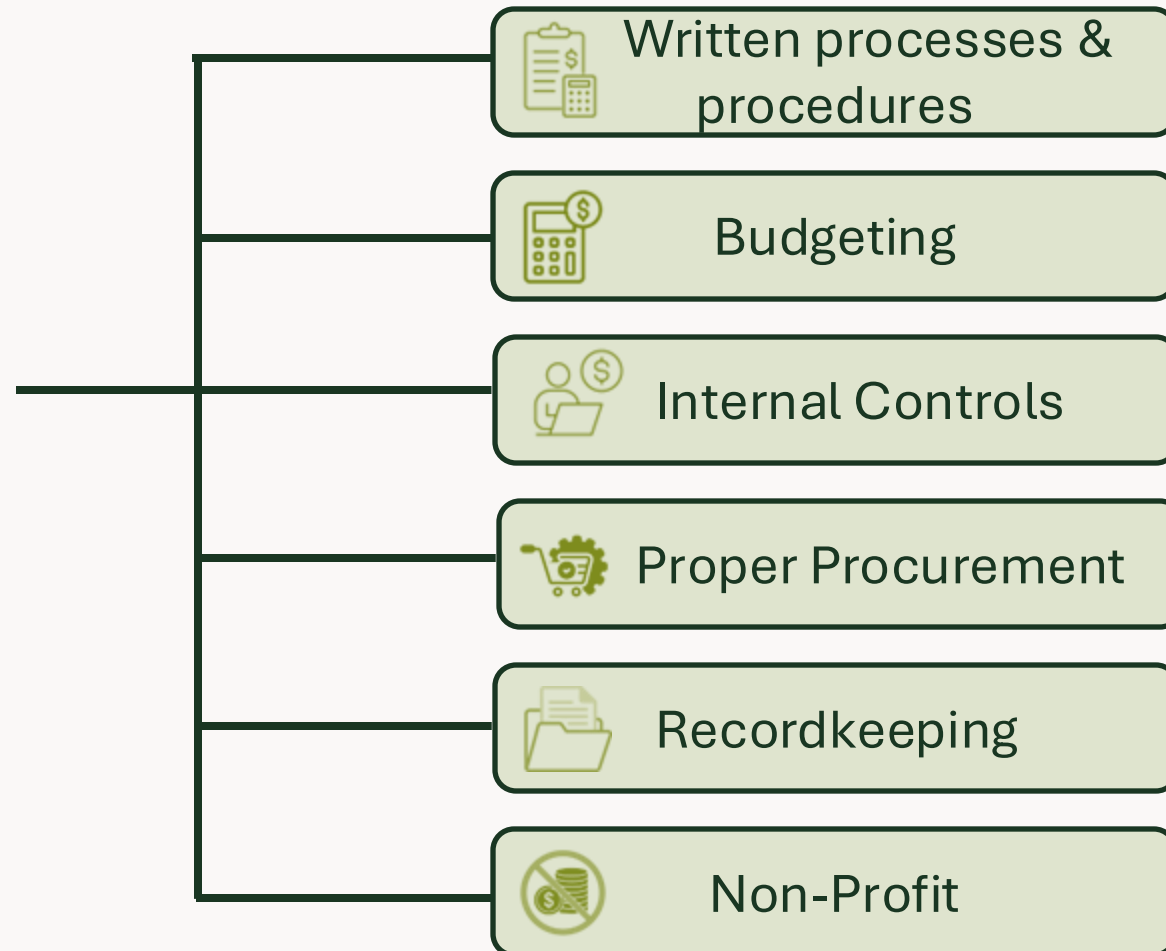
Financial
Management
Operations

AR Compliance



Financial Management Requirements

Components



VCA → previously established



Why are budgets necessary?



- Regulation
- Evaluate and Control Costs
- Check & Balance System
- Measures Financial Viability



What categories make up the budget?



- Labor
- Food
- Facilities & Space
- Supplies & Equipment
- Purchased Services
- Financial Cost
- Media Cost
- Contracted Services



What are the SPWA requirements?



Submitted:

- in writing
- with budget
- prior to cost incurred

Provide enough
description to verify
expenses



Allowable vs. Unallowable



See handout for 10 Allowability Cost Factors.



Financial Review Process

①

Obtain
financial
reports

②

Review
reported
transactions

③

Tie
transactions to
payment
source

④

Assess
Allowability

⑤

Determine
compliance

Frequently Encountered Issues

Financial
Sampling Tool
Errors

Financial
Systems in
Unaffiliated
Sites

Unallowable
Expenses





Financial Sampling Tool- Operational

		Contracting Entity Name			XXXXXX							CE ID	01234			
		PY2023			PY 2023 OPERATIONAL EXPENSES											
Approved Annual Budget															\$ -	
Budget Variance		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Totals		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Month	CACFP Account Balance Forward	Meal Reimbursement (exclude CIL)	Cash in Lieu Reimbursement	Other Income to the Program	Labor			Food	Facilities & Space	Supplies & Equipment	Purchased Services	Media Cost	Contracting Org. Cost	Unaffiliated Facility Costs	Other costs	Total Op. Expenses
					Executive Staff	Management Staff	Staff(other)									
October	\$ -															\$ -
November	\$ -															\$ -
December	\$ -															\$ -
January	\$ -															\$ -
February	\$ -															\$ -
March	\$ -															\$ -
April	\$ -															\$ -
May	\$ -															\$ -
June	\$ -															\$ -
July	\$ -															\$ -
August	\$ -															\$ -
September	\$ -															\$ -

Pro Tip: Enter all values manually. Do not copy and paste!



Sponsor Requirements



Agree to accept final financial and administrative responsibility for sites.



Must conduct onsite monitoring reviews for all sites.



Reviews support forecasting needs, improving management, and ensuring program integrity.

Ref: CACFP Handbook 4520 Onsite Monitoring Reviews



Purpose

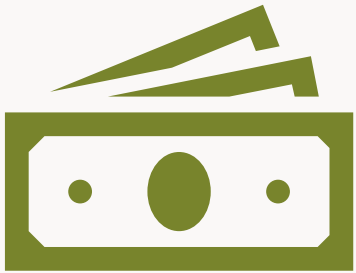
Why is it important for sponsors to have oversight of their sites' financial management systems?



To ensure childcare centers, at-risk centers, and adult care centers are using federal funds to appropriately operate ***non-profit*** food service.



What To Review (at minimum)



Program
Expenses



Program
Income

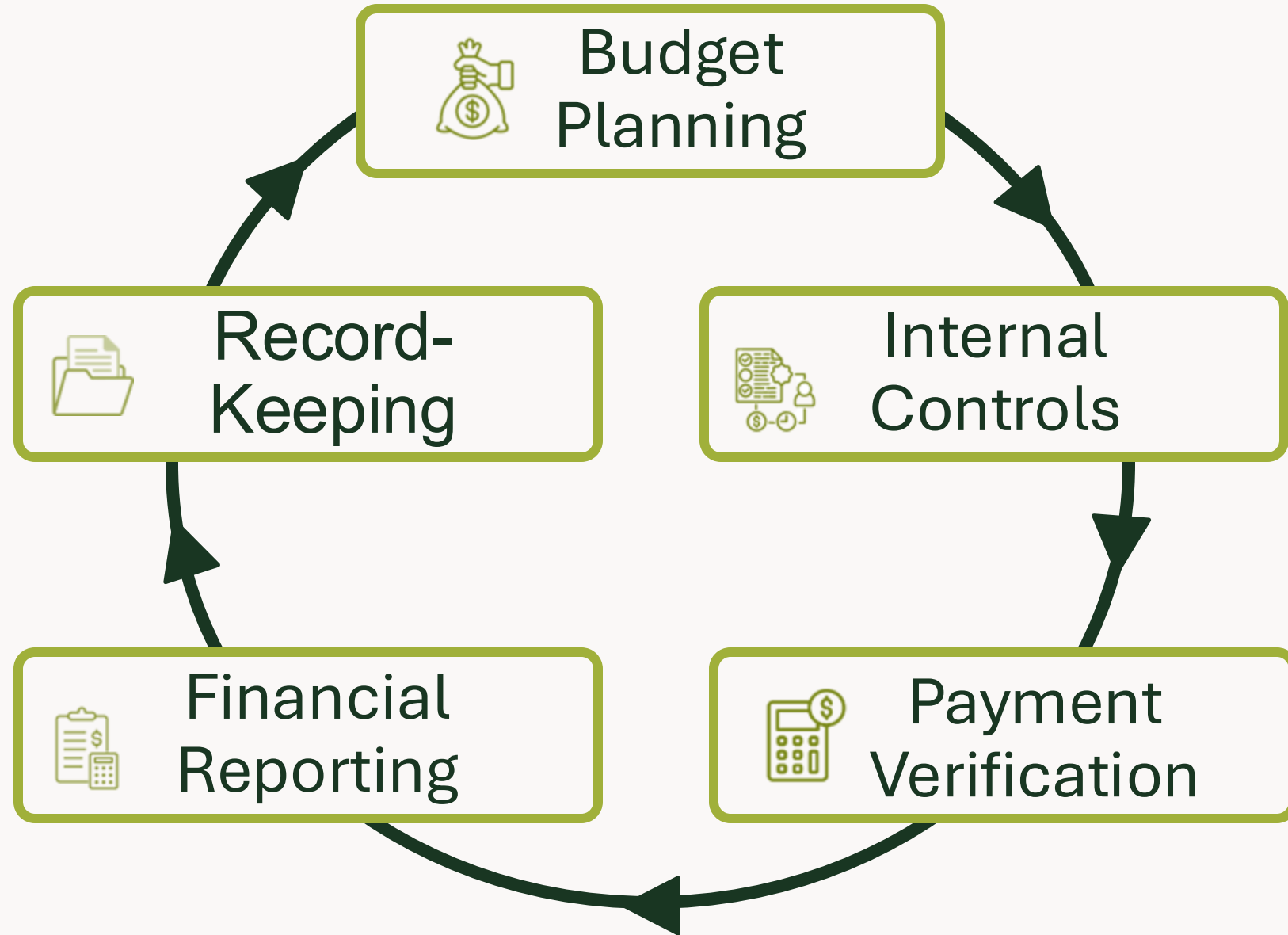


Bank Account
Activity

Ref: CACFP Handbook 4522.8 Nonprofit Food Service



Putting It All Together





Scenarios





Financial System Scenario



During an AR, a CE submitted only a budget along with the FST, general ledger, and bank statements.



Do the records provided support that the food expenses reported are allowable?



Questions to consider



Did the CE demonstrate to TDA they are maintaining adequate oversight of CACFP funds?



Was the information provided enough to determine the foods' allowability?



What records are missing?





Sponsor Oversight Scenario



- The sponsor oversees 10 unaffiliated sites.
- During the review, the CE explained their process for how sites maintain a financial system: submitting a monthly email detailing total expenses for food, wages and supplies.
- The CE would then transcribe this information and generate a report.
- As part of the documentation, the CE provided their Non-Profit Live Claim Summary.



Non Profit Live Claim Summary

[REDACTED]

FACILITY	CLAIM PERIOD	CLAIM PAYMENT (A)	RECEIPT TOTAL (B)	FOOD (C)	WAGES (D)	SUPPLIES (E)	NON CACFP (F)	BALANCE
[REDACTED] DAY CARE LLC	1 / 2024	\$6,744.94	\$6,241.27	\$2,614.52	\$3,378.00	\$248.75	\$0.00	\$503.67
	2 / 2024	\$6,582.04	\$4,643.28	\$1,585.69	\$2,940.00	\$117.59	\$0.00	\$1,938.76
	3 / 2024	\$5,328.15	\$5,453.28	\$2,226.76	\$2,979.00	\$247.52	\$0.00	(\$125.13)
	4 / 2024	\$4,963.76	\$5,308.38	\$1,661.77	\$3,298.00	\$348.61	\$0.00	(\$344.62)
	5 / 2024	\$5,594.96	\$5,745.34	\$2,184.49	\$3,298.00	\$262.85	\$0.00	(\$150.38)
	6 / 2024	\$6,180.92	\$6,444.35	\$2,927.46	\$3,040.00	\$476.89	\$0.00	(\$263.43)
	7 / 2024	\$5,589.38	\$5,725.14	\$2,291.86	\$3,277.00	\$156.28	\$0.00	(\$135.76)
	8 / 2024	\$3,353.33	\$6,574.13	\$2,998.00	\$3,258.00	\$318.13	\$0.00	(\$3,220.80)
	9 / 2024	\$5,773.32	\$5,948.79	\$2,679.42	\$2,920.00	\$349.37	\$0.00	(\$175.47)
	10 / 2024	\$6,347.48	\$6,243.62	\$2,756.58	\$3,297.00	\$129.64	\$60.40	\$164.26
	11 / 2024	\$5,738.40	\$4,863.52	\$2,177.36	\$2,381.00	\$305.16	\$0.00	\$874.88
	12 / 2024	\$6,005.58	\$4,511.25	\$1,784.29	\$2,324.00	\$402.96	\$0.00	\$1,494.33
	TOTALS	\$68,202.26	\$67,702.35	\$27,888.20	\$36,390.00	\$3,363.75	\$60.40	
GRAND TOTAL		\$68,202.26	\$67,702.35	\$27,888.20	\$36,390.00	\$3,363.75	\$60.40	\$560.31



Questions to consider



Do you think what was provided was sufficient to determine compliance?



What should the sponsor ensure is in place to meet the financial system requirements?





Is this an allowable expense?



NO



Is this an allowable expense?



What if this occurred during Covid 19?



What info for ITR A is needed for making the purchase?



Would this info be sufficient to determine allowability?

YES



Is this an allowable expense?





Is this an allowable expense?



What if the CE used this for PM snack?



What if the report had a typo in the
approved budget, would it save costs?



Would this information change the
allowability?

YES



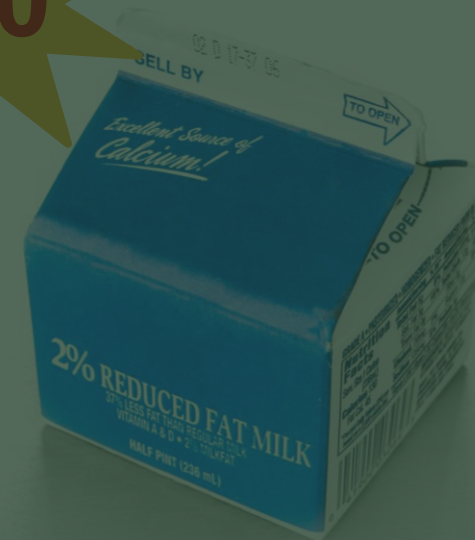
Which milk is a reasonable option?



\$1.10



\$1.20





Consider this...



What if the \$1.20 bid included vendor crediting?

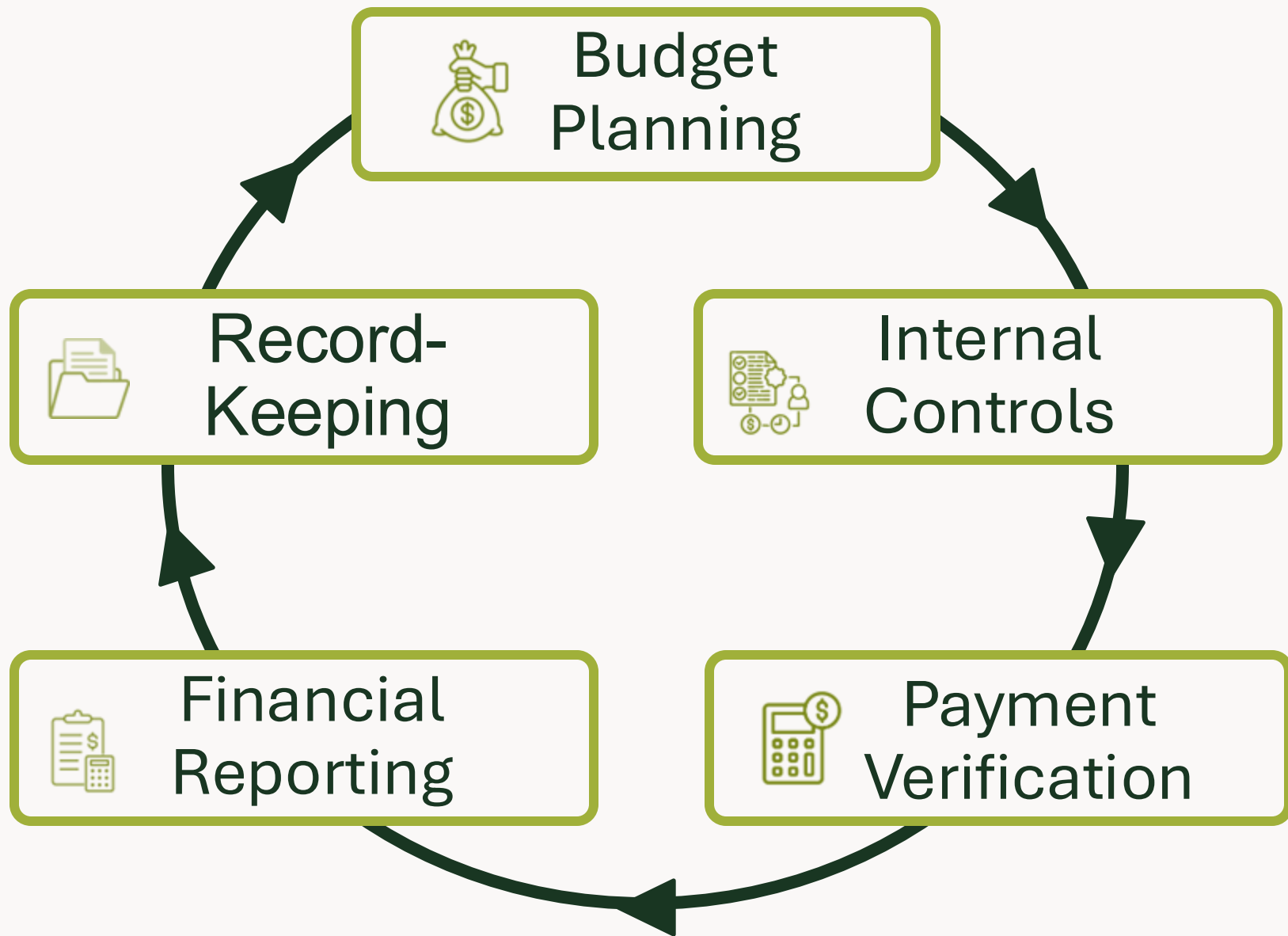


Would that change your initial selection?



What must the CE provide TDA to support this choice?







Questions?



Contact Us



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(877) (839-6325)



SquareMeals@TexasAgriculture.gov
FND.Training@TexasAgriculture.gov



Squaremeals.org

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The letter must contain the complainant's name, address, telephone number, and a written description of the alleged discriminatory action in sufficient detail to inform the Assistant Secretary for Civil Rights (ASCR) about the nature and date of an alleged civil rights violation. The completed AD-3027 form or letter must be submitted 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; or

2. fax:
(833) 256-1665 or (202) 690-7442; or

3. email:
program.intake@usda.gov

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