



## Resource Management and Procurement

These errors resulted in loss of funds or could place the CE in Serious Deficiency status.

### *Child & Adult Care Centers*

- ¼ of the CEs did not have an adequate financial management system.
- Over 20% of the CEs had written procurement procedures that do not meet requirements or did not have written procedures.
- Over 10% of the CEs claimed expenses which are not necessary, reasonable and allowable.

### *Day Care Homes*

- ¼ of the CEs did not present training on the required topic areas to participating providers annually.

### **Examples**

- CE purchased unallowable items (non-food purchases) with CACFP funds such as: gift cards, stamps, games, toys, or coffee.
- CE's current financial management system is not utilized to track/monitor CACFP revenue and expenses separately from other revenue and expenses.
- There are not adequate written procurement procedures such as micro purchase procedures.
- Required training is not undertaken or documentation is not maintained or complete.

### **Effects on the Claim**

TDA could take the following actions:

- Require a return of funds to the nonprofit food service account for unallowable expenses
- Disallow meals and reduce the claim accordingly
- Place the CE in serious deficiency

### **Suggested Steps to Take**

- Keep CACFP funds separate from other funds to make it easier to purchase only allowable items.
- Set up and use a financial management system. If you aren't sure how to do it, there are many resources to help small businesses.
- Work with the regional ESC to make sure all trainings are completed.
- Develop a system to keep all the required documents and forms organized. Schedule time to maintain the paperwork.