



Financial Management Overview for Family Day Care Home Sponsors

Management Plan and Financial Management Procedure

Sponsor Name	
Procedure Revision Date	

Overview of CACFP Requirements:

- Sponsors must maintain **non-profit food service (NPFS)** meaning that all operations “conducted by the institution [is] principally for the benefit of enrolled participants, from which [CACFP] Program reimbursement funds are used solely for the operation or improvement of that [operation].” ([FNS 796-2, Rev 4](#))
- NPFS must be documented by the sponsor showing that all CACFP income is spent on Program expenses. For FDCH sponsors, this will include administrative expenses.
- Acceptable documentation includes itemized receipts, invoices, time and attendance reports, payroll records and bank statements.

Information provided in the Management Plan and written Financial Management Procedure must match information provided on the CACFP Annual Budget and reflect current practices. Sponsors must update the Management Plan and the written Financial Management Procedure when situations change.

Sponsor Notes

Management Plan

This abbreviated management plan only includes questions related to CACFP financial management from the full CNPweb Management Plan under the Applications Tab. The management plan provides an overview of your organization’s CACFP operations. Complete this management plan to provide a “big picture” view of how you are ensuring non-profit food service requirements are met in the CACFP.

Financial Viability and Financial Management:

In this section, indicate the resources used.

Fiscal Resources and Financial History	Check all Resources that apply
If the sponsoring organization should experience a temporary interruption of CACFP funds, how would it continue to operate? (See: Income Tab of the CACFP Annual Budget)	<input type="checkbox"/> Line of credit/loans <input type="checkbox"/> Sponsor discretionary funds <input type="checkbox"/> Other, provide explanation:
If the sponsoring organization must repay CACFP funds due to an over-claim, how would this be done? (See: Summary Tab of the CACFP Annual Budget)	<input type="checkbox"/> Line of credit/loans <input type="checkbox"/> Sponsor discretionary funds <input type="checkbox"/> Withholding from future claims <input type="checkbox"/> Other, provide explanation:
Does the sponsoring organization have a waiting list for enrolling providers onto the CACFP?	<input type="checkbox"/> Yes <input type="checkbox"/> No

Institution Structure and Capability:

In this section, indicate all program staff who will be responsible for the following CACFP management functions. See: Schedule A of the CACFP Annual Budget.

CACFP Function	Staff Position(s)/Title(s)
CACFP management/coordination	
Compiling claims for reimbursement	
Pass-through fund distribution	
Completing CACFP Budget	
Disseminating CACFP information to appropriate staff	
Maintaining receipts and invoices to document non-profit food service (administrative expenses)	
Written Policies and Procedures	

Program Accountability:

Governing Board of Directors

Question	Sponsor Response
Does your sponsoring organization have a Board of Directors?	<input type="checkbox"/> Yes <input type="checkbox"/> No

Note: Family Day Care Home sponsors are required to be non-profit organizations. In Oregon, all non-profit organizations require a governing board of directors.

Fiscal Accountability:

This section covers questions related to fiscal integrity and accountability for all funds and property received, held, and disbursed.

Bank Account(s):

Question	Sponsor Response
Does your sponsoring organization have a bank account?	<input type="checkbox"/> Yes <input type="checkbox"/> No

Note: An organizational bank account is required.

CACFP Financial Records – Administrative Funds:

What documentation are maintained on file to support CACFP administrative expenditures/expenses? (Check all that apply)

Check Here	Documentation Maintained
<input type="checkbox"/>	Itemized receipts, invoices, and bills
<input type="checkbox"/>	Timesheets
<input type="checkbox"/>	Time distribution reports
<input type="checkbox"/>	Rental agreements
<input type="checkbox"/>	Bank records
<input type="checkbox"/>	Payroll records
<input type="checkbox"/>	Board minutes
<input type="checkbox"/>	Cost allocation plans
<input type="checkbox"/>	Procurement documentation, e.g., bids, quotes, etc.
<input type="checkbox"/>	Balance sheet
<input type="checkbox"/>	Other, provide an explanation here:

CACFP Financial Records – Pass-Through Funds:

What documentation are maintained on file to support CACFP provider meal reimbursement pass-through funds? (Check all that apply)

Check Here	Documentation Maintained
<input type="checkbox"/>	Claims and documentation for supporting claims (ex. Menus, meal counts, tiering)
<input type="checkbox"/>	ODE CNP Claim Reimbursement Payments

Check Here	Documentation Maintained
<input type="checkbox"/>	Payment tracking (ex. Cancelled checks and EFT account numbers)
<input type="checkbox"/>	Bank reconciliation documentation
<input type="checkbox"/>	Providers contacted about unliquidated reimbursement payments (uncashed checks)
<input type="checkbox"/>	Other, provide an explanation here:

Validation of Receipts and Expenditures:

Question	Sponsor Response
How frequently are CACFP receipts and expenditures validated against the budget?	<input type="checkbox"/> Daily <input type="checkbox"/> Weekly <input type="checkbox"/> Monthly <input type="checkbox"/> Other, provide an explanation here:

Consolidating Pass-Through Funds – Submitting Claims:

What methods are used to consolidate and submit claims for reimbursement (pass-through funds) before the claim deadline and ensure only eligible meals are claimed? (Check all that apply)

Check Here	Methods Used
<input type="checkbox"/>	Meal counts are used for preparing the claim.
<input type="checkbox"/>	Claims are reviewed by a second party for accuracy prior to submission for reimbursement.
<input type="checkbox"/>	Menus and menu documentation reviewed for meal pattern compliance.
<input type="checkbox"/>	Regulatory edit checks are performed prior to submission for reimbursement.
<input type="checkbox"/>	Claim deadline reminder, e.g., calendar, tickler file, etc.
<input type="checkbox"/>	Back up claim staff
<input type="checkbox"/>	Reimbursement does not exceed two meals and one snack or one meal and two snacks per child per day.
<input type="checkbox"/>	Each participant claimed is enrolled and attending the facility.
<input type="checkbox"/>	Only approved meal types are claimed.
<input type="checkbox"/>	Reimbursement is not claimed for meals served in excess of the facility's authorized capacity or total enrollment.
<input type="checkbox"/>	Meals are only claimed for approved facilities.
<input type="checkbox"/>	Meals are only claims for participants that are within the regulatory age limit.
<input type="checkbox"/>	Other, provide an explanation here:

CACFP Fund Management:

What methods are used to ensure that CACFP funds are used in accordance with [FNS Instruction 796-2, Rev 4](#)? (Check all that apply)

Check Here	Methods Used
<input type="checkbox"/>	Referred to FNS Instruction 796-2, Rev 4 , ODE Budget Guidance , and CACFP Center Policy Manual as needed.
<input type="checkbox"/>	Cost allocation plans are used for costs shared between programs.
<input type="checkbox"/>	Only costs included in the annual budget are charged to CACFP.
<input type="checkbox"/>	Receipts are reviewed to ensure no unallowable costs are accounted as CACFP costs.
<input type="checkbox"/>	Sought guidance from ODE CNP staff.
<input type="checkbox"/>	Other, provide an explanation here:

Internal Controls – Administrative Funds:

What system of safeguards and controls is in place to prevent and detect improper financial activities by employees? (Check all that apply)

Check Here	Methods Used
<input type="checkbox"/>	Different employees are responsible for receipt and expenditure of funds.
<input type="checkbox"/>	Different employees are responsible for verifying claims and submitting claims.
<input type="checkbox"/>	More than one signature is required for checks used for paying CACFP expenditures.
<input type="checkbox"/>	Accountant/finance team prepares monthly reports and yearly tax returns.
<input type="checkbox"/>	Annual Single Audits are performed.
<input type="checkbox"/>	Board reviews CACFP expenditures and gives approval prior to purchases being made.
<input type="checkbox"/>	Board makes fiscal decisions for CACFP.
<input type="checkbox"/>	CACFP duties are rotated periodically within the institution.
<input type="checkbox"/>	Inventory is taken periodically for items purchased with CACFP funds.
<input type="checkbox"/>	Other, provide an explanation here:

Internal Controls – Pass-Through Funds:

What system of safeguards and controls is in place to ensure that funds are distributed to day care home providers within five (5) working days of receipt of funds from ODE?

Check Here	Methods Used
<input type="checkbox"/>	Sponsor has identified a position and back-up position responsible for overseeing CACFP provider meal reimbursement pass-through funds distribution
<input type="checkbox"/>	Pass-through funds are tracked separately from administrative funds
<input type="checkbox"/>	Payments issued to incorporated providers are in compliance with USDA regulations and ODE CNP guidance memos
<input type="checkbox"/>	Weekly payment reconciliations are completed
<input type="checkbox"/>	Uncashed provider payments are returned to ODE CNP with an explanation
<input type="checkbox"/>	Other, provide an explanation here:

Procurement:

Question	Sponsor Response
Does the institution have a written procurement procedure that follows applicable federal regulations?	<input type="checkbox"/> Yes <input type="checkbox"/> No

Note: A written procurement procedure is required for all CACFP sponsors.

Recordkeeping:

Where are the following records kept?

CACFP Financial Records	Central Office	Site	Online	Not Applicable
Reimbursement Claims	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Receipts/Invoices of Expenditures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bank Statements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Board Minutes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Procurement Records	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pass-through fund documentation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Additional Sponsor Notes:

CACFP Financial Management Procedure

Completing this CACFP Financial Management Procedure template will meet the regulations under [7 CFR 226.6\(b\)\(1\)\(xviii\)\(C\)](#)(2 and 4) requiring all CACFP sponsors to have written management controls in place to ensure fiscal integrity of all program funds, accountability of all expenses, use of funds only for authorized purposes, and that administrative costs do not exceed the regulatory limits. Sponsors may use their own templates, however, using this template will help sponsors to provide all required information.

Notes on using this template: Fill in all sections, as applicable. Sections that may not apply to all sponsors include a 'Not Applicable' checkbox.

I. CACFP Administrative Expenditures

A. Overview:

1. Overview of Non-Profit Food Service (NPFS):

Sponsors must ensure non-profit food service operations, meaning that CACFP income and expenses must be accounted for separately from pass-through funds and other organizational income and expenses and only spent on allowable costs per the approved CACFP budget. In this section, answer questions related to the 'big picture' in financial oversight.

#	Overview Questions	Sponsor Responses
a	Software program used to track organizational income & expenses	Provide name of software here:
b	Method to document NPFS in software program: <input type="checkbox"/> CACFP fund account <input type="checkbox"/> CACFP account codes (Chart of Accounts)	Identify the fund account number or account codes for CACFP expenses:
c	What is your organization's fiscal year?	
d	Position(s) responsible for completing the CACFP annual budget and any budget revisions needed	
e	Back-up position(s)	
f	Timeline for completing the CACFP annual budget during CACFP Renewals	
g	Timeline for completing CACFP budget revisions, when needed Note: Budgets must be updated when new costs are added or line items are increased by \$1000 or 10%, whichever is less.	
h	Position(s) responsible for getting board approval of the CACFP annual budget and any revisions needed	

#	Overview Questions	Sponsor Responses
i	Back-up position(s)	
j	Timeline for presenting the CACFP budget(s) to the board	
k	If your organization is required to complete one, what is the timeframe for completing a Single Audit within your organization? <input type="checkbox"/> N/A	
l	Position(s) responsible for requesting a Single Audit (if applicable) <input type="checkbox"/> N/A	
m	Back-up position(s) <input type="checkbox"/> N/A	
n	Position(s) responsible for determining if monitoring standards are met.	
o	Back-up position(s)	

2. Managing Expense Documentation

It is important to assign responsibility of managing expense documentation to at least one staff and one back-up staff.

#	Expense Documentation Questions	Sponsor Responses
a	Position(s) of staff who receives expense documentation (ex. invoices, receipts, etc.)	
b	Back-up position(s)	
c	When documentation is initially received, where is the document maintained?	
d	Are these documents given to another position after this to maintain?	<input type="checkbox"/> Yes <input type="checkbox"/> No
e	If yes, provide the position title who receives the document(s) -check N/A if not applicable <input type="checkbox"/> N/A	
f	Back-up position(s) - check N/A if not applicable <input type="checkbox"/> N/A	
g	What is the timeframe for submitting these documents to the position(s) responsible for maintaining them?	
h	How are documents submitted? Ex. Left on desk or mailbox, scanned and e-mailed, filed in common folder	
i	Position(s) responsible for reviewing expenses and ensuring that all costs are necessary, reasonable, and allowable.	
j	Back-up position(s)	

3. Allowable and Unallowable Expenses:

Allowable expenses are those that can be charged to the CACFP account (can use CACFP reimbursements for these costs) while unallowable expenses must be paid by other funding sources. Refer to [FNS Instruction 796-2, Rev 4](#) for information on allowable and unallowable expenses.

#	Allowable/Unallowable Expenses Questions	Sponsor Responses
a	How are allowable and unallowable expenses determined?	
b	Position(s) responsible for documenting allowable and/or unallowable expenses on receipts/invoices	
c	Back-up position(s)	
d	Describe the method used to indicate allowable or unallowable costs, ex. highlight allowable or unallowable costs	
e	Position(s) responsible for determining if allowable costs were included in the approved annual budget and who ensures that allowable costs are accurately documented	
f	Back-up position(s)	
g	Position(s) who enter in unallowable costs on accounting software in 1a above	
h	Back-up position(s)	

4. Allocated Costs:

Not Applicable

Allocated costs are those which cannot be charged entirely to CACFP since they are shared with other programs. Allocated costs must be given prior approval by ODE CNP during budget approval annually. Non-customary costs will require Specific Prior Written Approval (SPWA).

In the table below, indicate which costs are allocated and describe the process to determine the allocation percentages for each of the allocated costs listed above.

If the allocation is not determined based on percentages, write in N/A for Not Applicable under the “What is the ODE CNP Approved Percentage” and provide the specific methods used to determine equitable allocation charged to CACFP.

See the Documentation Tab of the CACFP Annual Budget – expenses requiring Specific Prior Written Approval (SPWA) must be submitted with detailed explanations on method of allocation.

Allocated Costs	How allocation percentages/methods are determined and documentation saved
Identify the allocated cost: What is the ODE CNP Approved Percentage?	
Identify the allocated cost: What is the ODE CNP Approved Percentage?	
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Identify the allocated cost: What is the ODE CNP Approved Percentage?	

Allocated Costs	How allocation percentages/methods are determined and documentation saved
<p>Identify the allocated cost:</p> <p>What is the ODE CNP Approved Percentage?</p>	
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<p>Identify the allocated cost:</p> <p>What is the ODE CNP Approved Percentage?</p>	

Additional Allocated Costs Questions:

#	Allocated Costs Questions	Sponsor Responses
a	Position(s) responsible for ensuring all allocated costs are charged per the ODE CNP approved allocation percentage on the approved CACFP annual budget	
b	Back-up position(s)	
d	Position(s) responsible for double checking the allowable costs against the approved budget to ensure that allowable costs are accurately documented	
e	Back-up position(s)	
f	Timeline for double checks, ex. monthly, quarterly, etc.	

B. Administrative Expenses:

For the following list of administrative expenses, indicate the position(s) and back-up position(s) that would enter the **invoices or receipts** for the expenses, the documents saved, and the time frame to complete the reporting.

CACFP Expenses	Position(s) responsible for entering expenses into tracking software and back-up position, and documents saved	Time frame for entering expenses
Schedule A: Admin Labor Costs		

CACFP Expenses	Position(s) responsible for entering expenses into tracking software and back-up position, and documents saved	Time frame for entering expenses
Schedule B: Supplies and Equipment <input type="checkbox"/> Not applicable		
Schedule C: Office Expenses <input type="checkbox"/> Not applicable		
Schedule D: General Travel Costs <input type="checkbox"/> Not applicable		
Schedule E: Training Expenses <input type="checkbox"/> Not applicable		
Schedule F: Administrative Services <input type="checkbox"/> Not applicable		
Other Expenses: <input type="checkbox"/> Not applicable		

C. Determining Non-Profit Food Service (NPFS):

1. Administrative Reimbursement Income Verification:

To determine if you are meeting non-profit food service status, it is important to understand what income sources are applicable and available.

#	Income Verification Questions	Sponsor Responses
a	Position(s) responsible for verifying the administrative reimbursement income and entering it into tracking software or report.	
b	Back-up position(s)	
c	Describe how the income documentation is maintained. Ex. Electronically, by downloading the monthly claims summary from CNPweb and documenting the claim reimbursement amount in the tracking software.	
d	What additional funds do you receive for operating CACFP? List all funding sources.	
e	Describe the process that is used to document annual CACFP administrative reimbursement income and expenses	

2. Closing the Claim Month:

Financial management oversight requires monthly tracking of CACFP income and expenses. Note that the month-end close process involves reviewing, documenting, and reconciling all financial transactions for the prior month.

#	Closing Claim Month Questions	Sponsor Responses
a	Position(s) responsible for completing a Profit and Loss Report for the CACFP account or completing a monthly expense report.	
b	Back-up position(s)	
c	Identify the timing of completing a Profit and Loss Report or monthly expense report. Provide a timeframe. Ex. End of month, first week of the following month, etc.	
d	Which position(s) reviews the Profit and Loss report or monthly expense report after it is completed?	
e	Position(s) who determines whether funds must be transferred or journal entry completed.	
f	Back-up position(s)	
g	Position(s) that completes transfer of funds or journal entries	
h	Back-up position(s)	
i	If CACFP expenses are less than CACFP reimbursements earned, what steps are taken?	<input type="checkbox"/> The balance will remain in the CACFP account and applied to future CACFP purchases. <input type="checkbox"/> Other: Explain below
j	Describe supporting documentation that will be maintained for fund transfers or journal entries.	

#	Closing Claim Month Questions	Sponsor Responses
k	Position(s) responsible for maintaining documenting for transferred funds or journal entries	
l	Back-up position(s)	

3. Year-End Reconciliation:

#	Year-End Reconciliation Questions	Sponsor Responses
a	Position(s) responsible to run a year-end reconciliation report at the end of the fiscal year to ensure all transactions entered into the software program or expense report matches the actual amounts received and spent.	
b	Back-up position(s)	
c	If there is a CACFP positive fund balance, identify the position(s) responsible for verifying amount of allowable carryover funds and submitting the carryover report.	
d	Back-up position(s)	
e	If the CACFP account balance is negative, identify the position(s) who will transfer funds or complete a journal entry.	
f	Back-up position(s)	
g	What source of unrestricted fund(s) will be transferred to cover the negative CACFP fund balance? List all.	
h	Describe the supporting documentation that will be maintained for fund transfers or journal entries.	
i	Position(s) responsible for documenting transferred funds	
j	Back-up position(s)	

II. Provider Meal Reimbursement Pass-Through Funds

Pass-through funds must be distributed to day care home providers within five working days of receipt of the funds from ODE.

#	Pass-Through Funds Questions	Sponsor Responses
a	Position(s) responsible for overseeing CACFP provider meal reimbursement pass-through funds distribution	
b	Back-up position(s)	
c	Position(s) responsible for tracking pass-through funds separately from administrative funds.	
d	Back-up position(s)	
e	Position(s) responsible for distributing pass-through funds to providers	
f	Back-up position(s)	
g	Describe the internal controls that are in place to prevent pass-through funds from being used for other purposes.	
h	What is the timeline (number of days) for distributing pass-through funds to providers?	
i	What payment method is used to distribute the pass-through funds to providers?	
j	What documentation is/are maintained to verify pass-through dollars were distributed?	

#	Pass-Through Funds Questions	Sponsor Responses
k	Describe the process in place to ensure that payments for incorporated providers (providers working with a different business owner) are paid according to regulations and ODE CNP guidance memos?	
l	Describe the process for reconciling all payments, including the position(s) responsible for each step of the process.	
m	The timeline for reconciling all payments to providers.	
n	Describe the process for handling claim revisions and claim revision payments/return of payment, including position(s) responsible for each step of the process.	

#	Pass-Through Funds Questions	Sponsor Responses
o	The timeline for handling claim revisions and payments/return of payments.	
p	Describe the steps taken to ensure providers are contacted about unliquidated funds (uncashed checks) before the bank dishonor date.	
q	Describe the steps that will be taken for uncashed checks or returned EFT from providers, including position(s) responsible for each step.	
r	Position(s) responsible for remitting all unliquidated funds to ODE with an explanation.	
s	Timeline for remitting all unliquidated provider payments to ODE.	

III. Where Records Are Kept

Describe the location (room, cabinet, file folder, file path) where the following records are maintained. Include any additional information that would be necessary for someone to locate these documents. Check the N/A box if the document is not used.

Check if N/A	Document	Location
	Reimbursement claims/income documentation	
	Timesheets and time distribution reports	
<input type="checkbox"/>	Rental agreements	
	Bank records	
	Payroll records	
	Board minutes	
<input type="checkbox"/>	Cost allocation plans	
	Procurement documentation, e.g., bids, quotes, contracts etc.	
<input type="checkbox"/>	Contracts	
	Profit & loss report	
<input type="checkbox"/>	Credit card statements	
	Pass-Through reimbursements and supporting documentation	
<input type="checkbox"/>	Other - List here:	

IV. Resources Used/Reviewed:

1. [CACFP FDCH Policy and Procedure Manual](#), Chapter 3
2. [ODE CNP Memo on Fiscal Policy and Procedure Requirement](#), February 8, 2021
3. [FNS Instruction 796-2, Rev 4.](#)
4. [Guidance for Management Plans & Budgets](#) - USDA Resource, December 2013
5. [7 CFR 226.6\(b\)\(1\)\(xviii\)](#) - CACFP Performance Standards 1, 2, and 3
6. [2 CFR 200 Subpart D](#) - Post Federal Award Requirements
7. [2 CFR 200 Subpart E](#) - Cost Principles, 200.405 - Allocable Costs
8. [2 CFR 400](#) - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.
9. [2 CFR 415](#) - General Program Administrative Regulations
10. [Assessing Costs in the CACFP](#), USDA FNS Memo CACFP 08-2015
11. Administrative Guidance for FDCH Sponsors - on the ODE CNP Budget Template
12. Additional resources - List below:

Additional Sponsor Notes:

This institution is an equal opportunity provider.