

SECTION I – CONTRACTING ENTITY (CE) INFORMATION

| | | |
|------------------------------------|----------|--------------------|
| 1. Name of Contracting Entity (CE) | 2. CE ID | 3. Budget Version: |
| | | |

SECTION II – BUDGET JUSTIFICATION

Contracting entities participating in the CACFP must account for the cost of operating a nonprofit food service through the consistent use of generally accepted accounting principles. CACFP costs must be necessary, reasonable, properly classified, properly allocated, and allowable. The cost must be disclosed and must be allocated so that only the allowable share of the cost is assigned to the CACFP. Allowable costs can be either direct costs or indirect costs. You must provide the cost allocation methodology used to establish the cost allocation rates for direct costs that are prorated, as well as the cost allocation plan approved by the cognizant Federal or State agency for any indirect costs that are included in the budget. The contracting entity must specifically identify each cost item in the budget and must explain how each cost was calculated. **Include all expenses related to the organizations food service. Reference FNS Instruction 796-2, Rev. 3, Financial Management – Child and Adult Care Food Program, for additional guidance.**

| 1. Is the contracting entity a: <input type="checkbox"/> Sole purpose organization (exists exclusively to administer the CACFP in Day Care Homes in Texas) <input type="checkbox"/> Multipurpose organization | | | | | | | | |
|---|-----------------|-----------------|--|----|--|----|--|----|
| 2. Does the contracting entity have indirect costs to be paid from the nonprofit food service account? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, these costs must be identified as indirect costs when you complete the Budget Justification Charts. | | | | | | | | |
| 3. Does the contracting entity have costs to be paid from the nonprofit food service account that require "Prior Approval"? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, identify these costs as "(PA)", costs requiring "Prior Approval", when you complete the Budget Justification Charts. | | | | | | | | |
| 4. Does the contracting entity have costs to be paid from the nonprofit food service account that require "Specific Prior Written Approval"? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, identify these costs as "(SP)", costs requiring "Specific Prior Written Approval", when you complete the Budget Justification Charts. | | | | | | | | |
| 5. Does the contracting entity have costs to be paid from the nonprofit food service account that require "USDA Regional Office Approval"? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, identify these costs as "(Reg)", costs requiring "USDA Regional Office Approval", when you complete the Budget Justification Charts. | | | | | | | | |
| 6. The contracting entity must have adequate sources of funds to continue to pay employees and suppliers during periods of temporary interruptions in CACFP payments and/or to pay debts when fiscal claims have been assessed against the contracting entity. List your sources and amount of funds to meet this requirement. | | | | | | | | |
| <table border="1"> <thead> <tr> <th>Source of Funds</th> <th>Amount of Funds</th> </tr> </thead> <tbody> <tr> <td> </td> <td>\$</td> </tr> <tr> <td> </td> <td>\$</td> </tr> <tr> <td> </td> <td>\$</td> </tr> </tbody> </table> | Source of Funds | Amount of Funds | | \$ | | \$ | | \$ |
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| 7. There are a number of one-time and recurring expenses for which CACFP funds may not be used, including the costs of incorporation (maintaining incorporation), the preparation of annual IRS-990 reports, fines and penalties, and some other general business costs. List your sources and amount of funds to meet these non-CACFP expenses. | | | | | | | | |
| <table border="1"> <thead> <tr> <th>Source of Funds</th> <th>Amount of Funds</th> </tr> </thead> <tbody> <tr> <td> </td> <td>\$</td> </tr> <tr> <td> </td> <td>\$</td> </tr> <tr> <td> </td> <td>\$</td> </tr> </tbody> </table> | Source of Funds | Amount of Funds | | \$ | | \$ | | \$ |
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Budget Justification Charts

Complete the budget justification charts. Attach additional pages as needed.

Nonprofit Food Service Administration Labor – Budget Justification — This section is used to provide detailed information for each **administrative** position that has food service responsibilities, **whether or not it is paid from the nonprofit food service account**. Identify costs requiring "Prior Approval" as "(PA)", "Specific Prior Written Approval as "(SP)" and "FNS Regional Office Approval" as "(Reg)".

Note 1: You must maintain a written compensation policy for each position. This policy, which is usually part of a larger set of personnel policies, establishes the way employees earn compensation. It must address 1) rates of pay; 2) work hours, including breaks and meal periods; and 3) payment schedules.

Note 2: Every position paid from the nonprofit food service account must maintain daily time reports for the entire work day to establish the portion of administrative labor that can be attributed to the nonprofit food service account.

Administrative labor includes planning, organizing and managing the nonprofit food service. Labor costs include base salary, employment taxes, fringe benefits, overtime pay, holiday pay, compensatory leave, incentive payments and severance pay. **Only document the employer's share in column 3.**

| Position (such as director, monitor, clerical, training, etc.) AND CACFP Duties (such as planning, eligibility determination, enrollment, etc.) | 1. Number of Personnel in this Position | 2. Annual Base Salary | 3. Additional Labor Costs and Benefits (include only the employer's share) | 4. Total Base Salary and Benefits (2 + 3) | 5. Number of Hours Worked Daily | 6. Number of Hours Spent in Food Service Duties | 7. Portion of Total Salary and Benefits Paid from the Food Service Account Annually |
|---|--|--------------------------|---|--|---|--|--|
| Position: CACFP Duties: | | \$ | \$ | \$ | | | \$ |
| Position: CACFP Duties: | | \$ | \$ | \$ | | | \$ |
| Position: CACFP Duties: | | \$ | \$ | \$ | | | \$ |
| Position: CACFP Duties: | | \$ | \$ | \$ | | | \$ |
| Total Base Salary and Benefits | | | | \$ | Total Paid from Food Service Account | | \$ |

Nonprofit Food Service Program Requirement – Budget Justification — This section is used to provide detailed information about each budgeted cost. Organizations Annual Food Service Budget includes all costs, **whether or not they are paid from the nonprofit food service account**. Columns A and B are the portion of the costs to be paid from the nonprofit food service account. Identify costs requiring “Prior Approval” as “(PA)”, “Specific Prior Written Approval as “(SP)” and “FNS Regional Office Approval” as “(Reg)”.

| Cost Category | A. Organization's Annual Food Service Budget | B. Annual Cost For Nonprofit Food Service |
|---|--|---|
| 2. Facilities and Space — This category includes rent, utilities and other space costs. | | |
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Nonprofit Food Service Program Requirement – Budget Justification (continued)

| Cost Category | A. Organization's Annual Food Service Budget | B. Annual Cost For Nonprofit Food Service |
|--|--|---|
| 6. Media Costs — This category includes advertising and public relations, communications, publications, printing and reproduction costs. | | |
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| Total Media Costs | \$ | \$ |
| 7. Sponsoring Organization Costs — This category includes training, travel, administrative appeal costs, legal expenses and other professional services, meetings and conferences, membership, subscriptions and other professional organization activities. | | |
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| Total Sponsoring Organization Costs | \$ | \$ |
| 8. Other Costs — This category includes any other costs associated with the nonprofit food service, including indirect costs. | | |
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| Other Costs | \$ | \$ |

Summary of Projected Annual Nonprofit Food Service Costs

| Cost Category | | Annual Costs for Nonprofit Food Service |
|---|--|---|
| 1 | Labor Costs — Salaries, Wages, Taxes and Benefits | (From Page 2, Column 7) \$ |
| 2 | Facilities and Space | (From Page 3, Column B Total) \$ |
| 3 | Supplies and Equipment | (From Page 3 Column B Total) \$ |
| 4 | Purchased Services | (From Page 3, Column B Total) \$ |
| 5 | Financial Costs | (From Page 3, Column B Total) \$ |
| 6 | Media Costs | (From Page 4, Column B Total) \$ |
| 7 | Sponsoring Organization Costs | (From Page 4, Column B Total) \$ |
| 8 | Other Costs | (From Page 4, Column B Total) \$ |
| Total Costs for Nonprofit Food Service | | \$ |

Summary of Nonprofit Food Service Income

Reimbursements under the CACFP subsidize the nonprofit food service operation but may not be sufficient to cover all nonprofit food service expenses. Any funds specifically designated as nonprofit food service account funds are restricted and may not be used to fund any other costs in your organization.

1. Enter the total annual costs of nonprofit food service: \$
2. Enter the total anticipated annual CACFP Reimbursement: \$
3. Enter the total of other income to the nonprofit food service: \$
4. Carryover from previous program year: \$
5. Total Income (enter the total of lines 2, 3 and 4): \$
6. Estimated Residual for next program year: \$

Enter the sources and amount of funds that make up line 3 above.

| Source of Funds | Amount of Funds |
|-----------------|-----------------|
| | \$ |
| | \$ |
| | \$ |

If line 1 is greater than line 5, the contracting entity must list their sources and amount of funds that will be used to cover this shortfall.

| Source of Funds | Amount of Funds |
|-----------------|-----------------|
| | \$ |
| | \$ |
| | \$ |

SECTION III – BUDGET DISCLOSURE

1. Contracting organizations applying to participate in the CACFP are required to disclose and identify related party transactions, less-than-arms-length transactions, ownership interests in equipment, supplies, vehicles and facilities, or disclose any other information that inhibits TDA from making an informed assessment of the allowability of a particular cost.

Do you have any expenses that require disclosure? Yes No

If "Yes," attach a detailed explanation.

