DATE: November 2, 2011

TO: Child and Adult Care Food Program (CACFP) Center-based Institutions

FROM: Robin Holz, Consultant, Bureau of Nutrition, Health and Transportation Services

SUBJECT: Requirements for CACFP Receipts

The CACFP requires that centers operate a non-profit foodservice. This means a center is not allowed to make a profit from CACFP reimbursement while participating on the Program. Therefore, centers must report enough CACFP expenses to document that more is spent on the organization’s foodservice than it receives in CACFP reimbursement. At a minimum all food costs must be reported on the monthly financial report, including consumable groceries used in the preparation of meals served to participants and supervising staff, milk, and contracted meal costs. If needed to demonstrate a non-profit foodservice, additional foodservice-related cost categories may need to be reported. Itemized receipts, invoices and time records (if applicable) must be kept on file to document all line items included on the financial report. Chapter 5 of the CACFP Administrative Manual describes requirements in detail for the financial report.

Some organizations need to include CACFP non-food items such as paper products and dish soap used for meal service in order to document they operate a non-profit foodservice. CACFP non-food purchases may be included on CACFP food receipts, but they must be listed separately on the monthly financial report. To assist you in separating CACFP food and CACFP non-food items, we strongly recommend separating the food and non-food items at checkout so they are rung up in two distinct groupings.

The purpose of this memo is to notify CACFP institutions that non-CACFP expenses may not be included on receipts used to document CACFP purchases. If non-CACFP items are purchased on the same shopping trip, they must be rung up and paid on a separate receipt. Non-CACFP expenses include, but are not limited to, items such as diapers, light bulbs, candy, pop, coffee and personal items.

Contact Robin Holz if you have questions at robin.holz@iowa.gov (515)281-3484 or your area consultant.