



**BULLETIN:**

**Child and Adult Care Food Program**

**Child & Adult Care Centers,  
Emergency Shelters, OSHC, &  
Sponsors of Family Day Care Homes**  
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**To:** CACFP Agencies  
CACFP Program Reviewers

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**Bulletin:** 2015-02

**From:** Ann-Marie Martin  
CACFP Coordinator

Program changes as a result of USDA Policy Memos and Technical Assistance Memos are to be implemented immediately. Please file this bulletin for reference, guidance and compliance with the Child and Adult Care Food Program. Feel free to call the Child Nutrition Programs office if you need further clarification.

**USDA Policy Memos**

1. CACFP 01-2015 Duration of Income Eligibility Determinations: Guidance and Q&As
2. CACFP 03-2015 Written Codes of Conduct and Performance of Employees Engaged in Award and Administration of Contracts
3. CACFP 04-2015 Area Eligibility in Child Nutrition Programs

**Bulletin Topics**

4. USDA Handbooks are on the CACFP Web page
5. Financial Management in CACFP – More Information You Need to Remember
6. Meal Patterns and Milk Requirement Clarification
7. Food Day Activity follow-up
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10. Mealtime Memo – November 2014 It's Cleaning Time: Tips for Cleaning in the Child Care Kitchen

**1. USDA Policy Memo 01-2015 Duration of Income Eligibility Determinations: Guidance and Q&As**

This memorandum provides guidance and clarification regarding individual income eligibility determinations and durations in the Child and Adult Care Food Program (CACFP) and the Summer Food Service Program (SFSP). This memorandum discusses the duration of eligibility, change in household income, and the elimination of temporary approval in CACFP and SFSP as well as establishing claiming percentages in CACFP. This memo supersedes CACFP 07-2014, SFSP 12-2014, *Guidance on Income Eligibility Determinations and Durations* issued January 16, 2014, and revises guidance related to the income eligibility effective date. Attachment A includes answers to frequently asked questions.

**2. CACFP 03-2015 Written Codes of Conduct and Performance of Employees Engaged in Award and Administration of Contracts**

This memorandum responds to questions and requests to provide clarifying guidance regarding the expectation and enforcement of ethical conduct by their employees engaged in procurement of Program goods and service. CNP operators are reminded that 7 CFR 3016.36(b)(3) and 3019.42, as applicable, currently require entities receiving Federal funds to develop and implement a written code of conduct designed to govern the performance of employees engaged in procurement.

### **3. CACFP 04-2015 Area Eligibility in Child Nutrition Programs**

This memorandum provides guidance on the use of school and census data to establish area eligibility in the CACFP, SFSP, Seamless Summer Option (for school districts). It consolidates previous guidance and includes Community Eligibility Provision (CEP).

### **4. USDA Handbooks are on the CACFP Webpage**

The past twelve months have seen a lot of resources coming out of Washington D.C. for CACFP. We've updated the Alaska CACFP webpage to include all of these important resources – go to: <http://education.alaska.gov/tls/cnp/CACFP1.html> to download the resources that pertain to your type of program.

USDA Adult Care Handbook

USDA At-Risk Afterschool Meals Handbook

USDA Crediting Handbook for CACFP (that will be updated soon)

USDA Guidance for Management Plans and Budgets Handbook

USDA Family Day Care Homes Monitoring Handbook

USDA Eligibility Manual for School Meals (used by CACFP as well)

USDA Serious Deficiency, Suspension, & Appeals for State Agencies & Sponsoring Organizations Handbook

USDA Monitoring for State Agencies Handbook

### **5. Financial Management in CACFP – More Information You Need to Remember**

In February, 2014 the updated FNS Instruction 796-2, revision 4 was published and was included in the Bulletin. This resource is important for your finance staff to know about and have access to. Please make sure you pass this information on to those staff members. All of the active FNS Instructions can be found under the Child Nutrition Resources page of the Alaska Child Nutrition Programs website at: <http://education.alaska.gov/tls/cnp/cacfp6.html>.

Items that came up during our renewal process are highlighted below. Please read, print for your budget/expense file and when you have budgeting or expensing questions throughout the year re-read. We have gone over all of the items listed below at our annual training, with the exception of the last item and you are required to know the information and use the guidance provided.

**BUDGETS:** All program must have an approved budget on file. For single site programs it is no longer required to submit an annual budget – we will use the most recent budget you have on file for approving costs at the end of the year and on review. However, it is highly recommended to do a yearly budget so you don't try and use CACFP reimbursement for items that you have not been prior-approved.

Your approved budget does not necessarily mean all the costs you've included in the line item will be an approved cost. The expenses must be allowable and documented according to the guidance found in 796-2, rev. 4. If you do not have expenses listed on the approved budget you may not spend your CACFP reimbursement on these expenses.

**Question: What to do if you want to use CACFP reimbursement on items not already on your budget?**

**Answer:** Before making your purchase, amend your budget and submit to the state agency for prior approval.

**Question: How do you amend your budget (Attachment A & B)?**

**Answer:** Use the 3<sup>rd</sup> page of the Budget workbook (excel) – write in the budget amendment number (you can amend your budget as many times as you'd like). If your labor will stay the same the total for operational and administrative labor will again flow forward and you'll need to complete the rest of the worksheet like you did for the original worksheet.

**Food Costs:** You can only use CACFP reimbursement for CACFP expenditures – which means for reimbursable CACFP meals. If you are preparing other meals besides the CACFP meals, the food for the “other meals” may not be a CACFP expense. This would happen in emergency shelters where food expense for creditable foods for the residential children’s meals are allowable but not the food expense for the non-CACFP program adult meals.

**Question: How do you compute the food expense for these situations?**

**Answer:** Each month calculate the percentage of children’s meals compared to other meals. This percentage is multiplied by the total cost of Creditable Food.

**Example:** *500 children’s meals and 1000 other meals -  $500/1000 = 50\%$ .  
Creditable food costs = \$2,000 so you multiply  $\$2,000 \times .50 = \$1,000$  CACFP Food Costs*  
Remember – you cannot include items such as coffee, candy, bacon, etc. as a food expense under CACFP since these are not creditable.

**Non-Food Costs:** The budget item called non-food costs typically means small non-food kitchen supply items you purchase for the kitchen. If you are using these items for non-CACFP meal preparation, etc. then you would allocate these costs. In the example above you would use the 50% allocation to compute the amount of the non-food costs.

**Other Costs:** On the budget we provided a number of lines for other food service costs in the operation of the CACFP. We’ve provided some suggestions – such as purchased services, equipment, transportation, and a general Other line item. If you included a dollar amount in any of these we probably contacted you to request more information. You need to be specific on these as we may need to see your allocation plans, or contracts, or forms that show you will document the expenses correctly.

If you plan to use CACFP reimbursement for rent, utilities, insurance, etc. you must note this and then submit an allocation plan, and copy of the contract to document how you will calculate the CACFP portion of the expense. Many times we receive allocation plans that document the floor plan and the square footage of the kitchen/feeding area compared to the entire facility. Sometimes agencies submit their revenue worksheet that shows the percentage of CACFP reimbursement compared to their income from all programs.

If you plan to purchase any large item that costs \$5,000 or more you must first complete the Capital Expenditures Pre-Approval Request form. You can find all forms and information regarding procurement on the CNP webpage: <http://education.alaska.gov/tls/cnp/procurement.html>. This form is also included with this bulletin and located on the Alaska CACFP Bulletin webpage: <http://education.alaska.gov/tls/cnp/CACFP4.html>.

**Operating and Administrative Costs:** CACFP Reimbursement must be used primarily on the operation of the food service (at least 85% of your reimbursement is spent on operating costs). If you decide to use the funds for administrative expenses you must not use more than 15% of it on these charges, and you'll need to include it on budget prior to using CACFP reimbursement for these costs.

**FILING YOUR CLAIM:** The institution's actual expenditures will be submitted to the State agency for review and approval with the institution's monthly claim for reimbursement. (USDA Guidance for Management Plans and Budgets – A CACFP Handbook p page 19). You can find this resource on the Alaska CACFP webpage: <http://education.alaska.gov/tls/cnp/CACFP1.html>.

We are checking your claims this year to ensure you are not including line items that are not prior approved. We are hoping to get the database updated so that the line items from the budget will match the claim ... but do not know when this will happen. Here's how to file your expenditures on the claim at present:

<b>Claim line item:</b>	<b>Budget line item:</b>
Program Food (CACFP costs)	Food costs
Operational Labor	Food service labor & benefits
Administrative	Administrative services, supplies, and indirect
Administrative Labor	Administrative labor & benefits
Other Program Expenditures	Non-food costs, purchased service, equip, transp, other

**Question: What do you do if you didn't document your expenses correctly at the time of claim submission?**

**Answer:** Revise your claim – the expenses listed on the claim are the expenses we will verify on review. The year to date (YTD) expenses listed at the bottom of the Claim Tab will be checked against 1) your approved budget and 2) your NPFS Financial Report at the end of the program year. They should match.

Some programs had to revise previous claims because they may have included costs that were not prior approved, or that were not included in original claim (but were allowable & documented), or expenses were charged to a different funding source after the fact. The CNP database should coincide with your accounting system.

**Question: What happens when CACFP Reimbursement is more than your FY expenditures at the end of the program year?**

**Answer:** The excess CACFP reimbursement is carried forward into the next fiscal year. This is also called Net Cash Resources. You are allowed to have Net Cash Resources – but of course, it is recommended you spend all the reimbursement you earned within the same fiscal year. The money should be spent before it is earned since this is a reimbursement program. But if for some reason, you do not spend the money during the same fiscal year, you will document this on your Nonprofit Food Service (NPFS) Financial Report with a net income on the last line. This amount will move onto the first line the next program year (Net Income carried forward from prior fiscal year) – as you're starting the year with a balance.

**Question: How much can you "carry over" into the next fiscal year?**

**Answer:** We are using the same guidelines the National School Lunch Program uses which states the school food authority (Agency) shall limit its net cash resources to an amount that does not exceed 3 months average expenditures for its nonprofit food service. We've only had one instance of this, which is why we're addressing it in this bulletin. For 99.9% of the programs operating the CACFP this will not be applicable.

## 6. Meal Patterns and Milk Requirement Clarification

The USDA Meal Pattern Chart Posted on their website was incorrect but is now corrected. Please see the USDA Meal Pattern Chart that is included in this bulletin on the CNP Bulletins Page of our website: <http://education.alaska.gov/tls/cnp/CACFP4.html>.

The updated chart shows the 1-2 year old meal pattern is for children turning one through their 2<sup>nd</sup> year. The meal pattern is the same when they move up to the 3-5 year old meal pattern but the quantities increase. The confusion comes in related to the milk requirement because non-fat and 1% milk is required for those children who are 2 years old and up. There is now a footnote at the bottom of the chart that is correct:

<sup>2</sup> Milk served must be low-fat (1%) or non-fat (skim) for children ages 2 years and older and adults.

There is no USDA requirement for milk fat for children from their first birthday until their second birthday. Best practice is to serve these children full fat milk for that year. We have trained on the new milk requirement as it relates to the meal pattern since September 2011. If you have any questions on the meal pattern or milk requirement please contact Ann-Marie Martin, CACFP Coordinator.

## 7. Food Day Activity follow-up

Two school districts won the prizes for entering the activity on the Survey Monkey for the October 24<sup>th</sup> Food Day or Local Lunch Day activity. Unalaska School District won the Sectionizer and Cordova School District won the Herb Garden. Twenty-four people started the survey (11 of which claimed a local lunch) of the 11 though there were only 5 completed responses; Unalaska School District, Cordova School District, Kidzone, Southeast Island School District, and Juneau Montessori Borealis School. I've included their activities – good job Kidzone in Wasilla for participating!

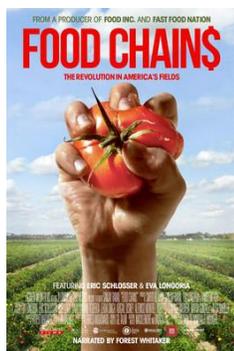
Cordova School District (250 students): Ran Alaskan foods all week. They featured a different food every day, plus as many veggies as they could get this time of year. Served did Halibut from Cordova, Beef tips and noodles from Copper Center, Baked Chicken from Fairbanks, Pulled Pork and Roast pork from Mid-State Meats.. The kids all made posters and they had an assembly with Johanna Herron.

Unalaska School District (400 students): Served on local food day: red salmon fillet, Alaska grown potatoes, peas and blueberry crisp. All but the peas were Alaskan grow and we will be using Alaskan peas in the future. The kids really enjoyed the salmon - they love all of the seafood they offered. They seemed really interested in the fact that most of the meal that day was all produced in Alaska.

Southeast Island School District (77 students): On the menu was Reindeer and potatoes, lettuce and basil they grew in their school's garden. They also went on a field trip to a greenhouse for a tour.

Kidzone (56 children): Served milk from the local dairy and purchased fruit locally to serve on Local Lunch Day.

Juneau Montessori Borealis School (39 students): Served vegetables from their school's garden on Local Lunch Day.



## 8. New Documentary on Farm Labor Released

In this exposé, a group of farm workers engage with the global supermarket industry through their Fair Food program, which partners growers with retailers to improve working conditions for farm laborers in the United States. The film focuses on a group of tomato pickers from Southern Florida called the Coalition of Immokalee Workers.

They are working to ensure a dignified life for farm workers and a more humane, transparent food chain. Visit the film's official website: <http://www.foodchainsfilm.com/> for more information.

Food Chains premiered at the 2014 Berlin Film Festival and screened subsequently at the Tribeca Film Festival and Guadalajara Film Festival. Food Chains will be released nationwide November 21st. The film's Executive Producers include Eva Longori (winner of the Cesar Chavez Legacy Award) and Eric Schlosser (author of Fast Food Nation & filmmaker of Food, Inc.).

## 9. Chop Chop Magazine Giftable Edibles

ChopChop Magazine has provided a special "Gifts from the Kitchen" download (included on the CACFP Bulletins webpage: <http://education.alaska.gov/tls/cnp/CACFP4.html>). Get some good ideas for simple gift giving – recipes include a salad dressings, striped soup mix, molasses cookie dough, and chai tea mix.

## 10. Mealtime Memo – November 2014 It's Cleaning Time: Tips for Cleaning in the Child Care Kitchen

Maintaining a clean kitchen is one of the most essential ways for keeping food safe in child care. A clean Kitchen reduces the risk of injury, foodborne illness, and other infectious diseases. Learn tips for cleaning, as well as a nutrition tip, a nutrition fact, and information about the vegetable of the month – Pumpkin. You can find the memo in English and Spanish at the following website:

<http://www.nfsmi.org/ResourceOverview.aspx?ID=488> and also on the CACFP Bulletins webpage: <http://education.alaska.gov/tls/cnp/CACFP4.html>.

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### Commonly Used Acronyms

CACFP – Child and Adult Care Food Program  
CNP – Child Nutrition Programs  
FNS – Food & Nutrition Services  
FNSRO-Food & Nut Services Reg. Office  
USDA – U.S. Department of Agriculture  
LEA – Local Education Authority  
DEC – Department of Conservation

All attachments for this bulletin can be found on the State of Alaska Child Nutrition Programs, CACFP Bulletins page: <http://education.alaska.gov/tls/cnp/CACFP4.html>.

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