

Financial Recordkeeping for the Child and Adult Care Food Program

In order to remain eligible for the Child and Adult Care Food Program (CACFP), a nonprofit food service must be maintained. Nonprofit food service is defined as food service operations conducted principally for the benefit of enrolled participants. All program reimbursement funds are used solely for the operations of the food service. To monitor this status an accrual/cash accounting system to track actual CACFP administrative and food service operations is necessary. This system will be used for annual budget forecasting at application renewal time.

Accrual/Cash Accounting System could be a software program, electronic or paper ledger that tracks the following. [View the journal ledger.](#)

- **CACFP Administrative Expenses**
 - Administrative salaries and benefits.
 - Mileage/travel expenses (include monitoring staff).
 - Printing, office supplies, communications.
 - Contracted services.
 - Staff training.
 - Administrative occupancy/utilities.
- **Food Service (FS) Operating Expenses**
 - Food service salaries and benefits.
 - Food (including delivery charges).
 - Purchased vended meals.
 - Food service equipment.
 - Allowable non-food supplies (used in food service operation).
 - Food service occupancy/utilities.
- **Revenue**
 - CACFP Reimbursement.
 - Cash-in-lieu of U.S. Department of Agriculture (USDA) foods.
 - Other funding sources.

Keep a monthly file of the following

- Invoices paid/incurred.
- Bank statements/cancelled checks.
- Timesheets to support payroll.
- Travel logs.