

Appropriate Balances in Nonprofit Food Service Accounts

PURPOSE: To establish criteria regarding a balance in a nonprofit food service account.

SCOPE: Organizations participating in the Child and Adult Care Food Program (CACFP).

DESCRIPTION: Organizations participating in the CACFP must agree to maintain a nonprofit food service account.

An excess balance can only be used to expand or improve the nonprofit food service for the participants and cannot be used for other purposes.

**The state agency has determined that any participating organization shall limit its nonprofit food service balance to an amount that does not exceed three months average expenditures for its nonprofit food service operation.**

When CACFP reimbursement exceeds expenses, the sponsoring organization shall verify that this excess revenue is retained and used only in the nonprofit food service program.

If the state agency determines any deficiencies in the nonprofit food service balance, the sponsor will be required to complete a corrective action plan.

This policy instruction shall be effective April 1, 2002.

Source FNS Instruction 796-2, Revision 3; Indiana Department of Education, Division of School and Community Nutrition Programs.