

Sponsors of Centers—Excess Administrative Funds

PURPOSE:

To describe the fiscal action that will be taken when the State Agency discovers that a sponsor of centers has spent more than 15% of its meal reimbursement for administrative costs.

SCOPE:

Sponsors of centers, affiliated and/or unaffiliated, participating in the Child and Adult Care Food Program (CACFP)

DESCRIPTION:

CACFP federal regulations at 7 CFR §226.14(a) state, *If the State Agency determines that a sponsoring organization of centers has spent more than 15% of its meal reimbursements for a budget year for administrative costs (or more than any higher limit established pursuant to a waiver), the State Agency must take appropriate fiscal action.*

Sponsors of affiliated centers will be required to re-pay the food service account for the excess administrative costs with money from another funding source and will be required to submit documentation of the re-payment.

Sponsors of unaffiliated centers will be required to disburse the amount of the excess administrative costs to the sponsored centers. The State Agency will work with each sponsor to determine each sponsored center's repayment. The sponsoring organization will be required to submit documentation of the re-payment.

SOURCE:

7 CFR §226.14(a)