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Arkansas Department of Human Services	Procedure - AR CACFP 2013-15
Division of Child Care and Childhood Education	Section: Sponsoring Organizations of Homes
Child and Adult Care Food Program	Subject: Financial Management-Typical Carryover of Unused Administrative Payments
	Effective date: 04/16/2013

### CARRYOVER OF UNUSED ADMINISTRATIVE PAYMENTS

Sponsoring Organizations of Homes may carry over a maximum of 10 percent of administrative payments into the succeeding fiscal year. The 10 percent maximum on the amount of administrative funds that may be carried over must be based on the total amount of homes times rates administrative payments received by the sponsor over the fiscal year. Administrative funds remaining at the end of the fiscal year that exceed 10 percent of that fiscal year's administrative payments must be returned to Department of Human Services, Child and Adult Care Food Program. If the 10 percent carryover funds are not expended in the succeeding fiscal year, the sponsor is required to return the unused funds to Department of Human Services, Child and Adult Care Food Program.

An annual budget is required, and the amount carried over must be accounted for in the budget for the succeeding fiscal year. Further, sponsors remain responsible for correctly accounting for costs, and maintaining records and sufficient supporting documentation to demonstrate that cost claimed have been incurred, are allowable, and comply with all applicable regulations and procedures.

Because the final administrative claims may not be known when the annual budget is submitted to Department of Human Services, Child and Adult Care Food Program, make a best estimate of the carryover amount when preparing the annual budget. The estimate should be based on a comparison of the administrative payments the sponsor expects to receive with the amount of allowable administrative payments the sponsor expects to receive with the amount of allowable administrative expenses the sponsor expects to incur. As shown in the example below, this will yield the 10 percent carryover figure and any amount that must be returned to the State agency.

Example: Sponsor estimates administrative payments of \$100,000 during FY 2012  
 Sponsor estimate incurring \$85,000 in allowable administrative costs during FY 2012  
 Sponsor may carryover up to \$10,000 into FY 2013 ( $\$100,000 \times .10$ )  
 Sponsor must return \$5,000 to the State agency ( $\$15,000 - \$10,000$ )