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Arkansas Department of Human Services	AR CACFP 2013-18
Division of Child Care and Early Childhood Education	Section: All Sponsoring Organizations
Child and Adult Care Food Program	Subject: Financial Management
	Effective date: 04/16/2013

Financial Management:

The sponsoring organization must have a financial management system in place which, at a minimum, ensures the following:

- Accounting records are supported by source documents.
- Records show the source of all funds, including income, payments made, assets, and liabilities.
- Accurate, current, and complete disclosure of the financial results of the Program; and effective control over, and accountability for all funds, property, and other Program assets to assure that they are safeguarded and used solely for authorized purposes.
- Comparison of factual outlays with budgeted amounts.
- A method to assure timely and appropriate resolution of audit findings and recommendations.

In addition, the financial management system must track and provide:

- Actual count of meal service by type (breakfast, lunch, supper, and snack).
- Family size and income data on the provider's own children or foster children to establish eligibility of provider's children to participate in CACFP.
- Records that segregate, accumulate, and adequately document CACFP costs including, but not limited to, salaries, fringe benefits, travel costs, office costs expendable equipment, maintenance of nonexpendable equipment, contractual services, administrative costs, and distribution of payments to providers.
- Records that segregate, accumulate, and adequately document income to the CACFP.
- Records detailing procurement of goods and services which are CACFP funded and ensure that such procurements meet federal and state procurement standards.
- An accounting system that ensures that CACFP costs are not charged to another program, federal or nonfederal, and that other program costs are charged to CACFP.
- Records indicating the number of children in attendance and the number of meals by type served to enrolled children.
- Records that segregate, accumulate, and adequately document cost allocations, indirect costs, accounting accruals and adjustments, that all such costs must be charged to the

appropriate program, and the basis of such entries must be equitable so that the CACFP is not paying for a disproportionate amount of such costs.

- Procedures and controls for the receipt and accountability of advance payments (if applicable).
- Adequate internal controls to maintain financial integrity of the Program.