Early Childhood Education and Care Department

Cabinet Secretary Elizabeth Groginsky

SFSP Recordkeeping and Program Costs

NEW MEXICO
Early Childhood
Education & Care Department

SFSP Recordkeeping and Program Costs Training Agenda:

- Financial Requirements

- Administrative and Operational Reimbursement

- Administrative Costs vs. Operational Costs

- Unallowable Costs

- Maintaining Records of Cost

- Program income from Non-Program Adults

- Meal Cost for Vended Programs

- Food and Non-Food Inventory

- Recording Administrative and Operational Costs in EPICS
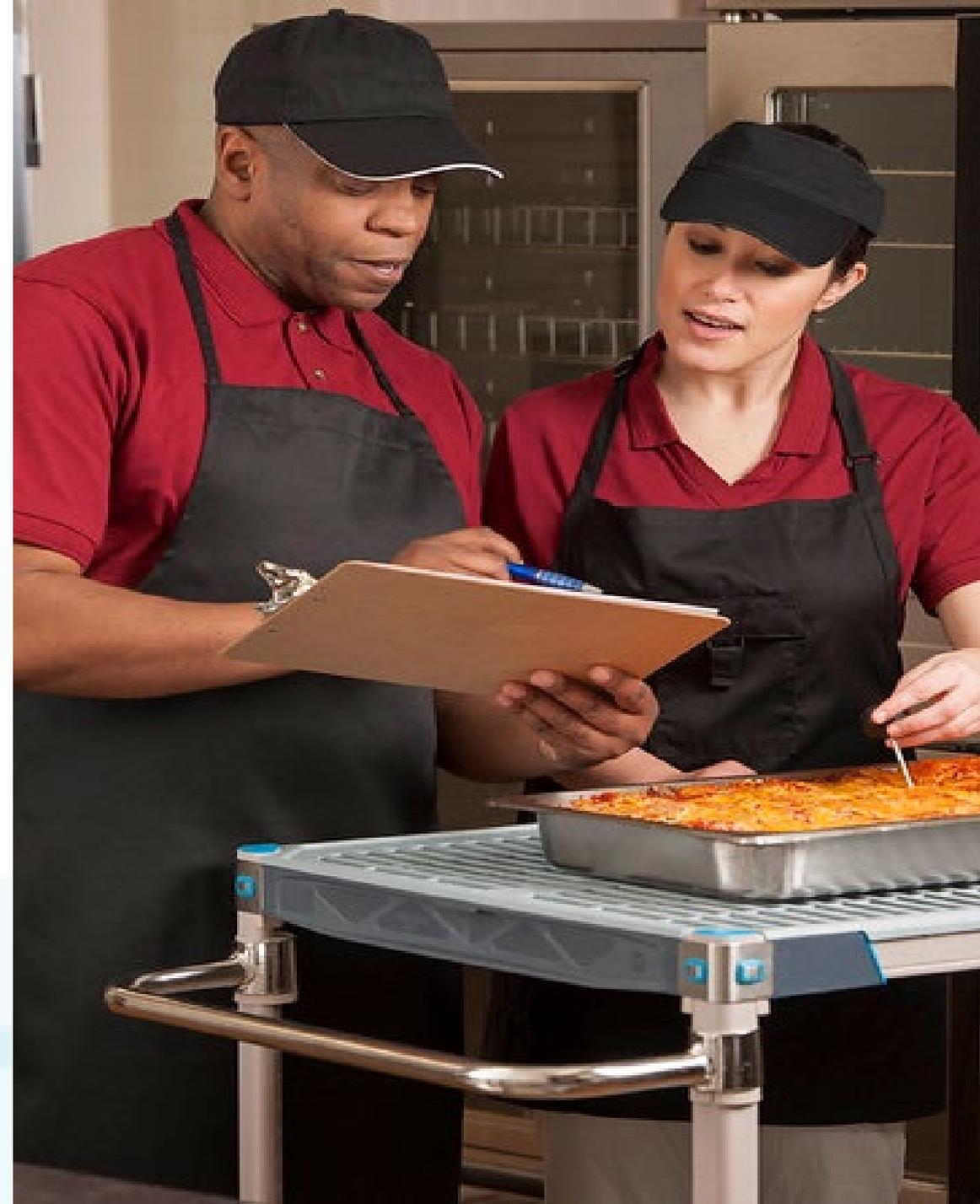
FINANCIAL REQUIREMENTS FOR SFSP

Required documentation for all Summer Food Service Program Organizations:

- Administrative Cost Records- invoices, receipts, and Administrative staff payroll reports

- Operating Cost Records- invoices, receipts, FSMC Contract (if applies) and Operational staff payroll reports

- Meal Counts- for every meal type and every day of operation per meal site that the State Agency has approved.

Administrative Reimbursement vs. Operational Reimbursement

What are the differences between the two?

- **Administrative** Reimbursement may be used for allowable costs related to the administration of the program.

- **Operational** Reimbursement may be used for any cost directly associated with the purchase, preparation, packaging, delivery and service of meals to children.

Allowable <u>Administrative</u> Cost

- Attending training provided by the State agency
- Preparing and submitting application for participation
- Preparing and submitting claims for reimbursement
- Generally, cost incurred are:
  - Mileage for monitor/training
  - Administrative salaries, taxes and benefits
  - Rental costs for office, office equipment
  - Office supplies/copying
  - Cell phones/communication for sites and monitors
  - Outreach/Advertising
  - Audit

Allowable Operational Costs

- Cost of obtaining food

- Labor directly involved in the preparation, service and delivery of food

- Cost of nonfood supplies

- Rental and use allowances for equipment and space

- Cost for transporting children in rural areas to meal site in rural areas

- Mileage for food transport

- Coolers/Food transport bags

Other Allowable Costs for SFSP

- Repairs to equipment for food service

- Repairs to delivery vehicles

- Kitchen Utilities

- Security at the sites

- SFSP advertising and awareness

- If you have questions regarding if a cost may be allowable or not, please contact the office BEFORE purchase.

LABOR EXPENSES (SALARIES)

- Time Sheets- Sponsor can utilize 4.3 Employee time sheet located at summerfoodnm.org website

- Payroll Reports

  - Time Sheets, payroll reports inclusive of employer contribution

  - Gross pay and minimum tax:

    - 1.45% Medicare

    - 6.20% Social Security

    - = 7.65% FICA (Federal Insurance Contributions Act)

      - Federal Minimum
      - Your organization may be higher

  - Other employer paid contributions for employee benefits

Definition of Unallowable Costs

Unallowable costs are costs for which Program funds may not be used	Sponsor may pay for unallowable costs from some other fund

- Examples of Unallowable Costs:
  - Vehicle Purchase
  - Air conditioners- unless it is rented or leased
  - Unallowable food- i.e., deli meats with no CN label or product formulation
  - Unauthorized Purchases of over $5,000.00
  - Bonuses- changing pay scale mid-stream of the program
  - Prepurchase of gas cards
  - Under no circumstances, the cost of disallowed meals

CONTROL AND ACCOUNTABILITY

To ensure program funds and program assets are safeguarded	**To ensure funds and assets are used solely for the authorized program purpose**

- Account Coding set up specifically for SFSP. Sponsors may use internal finance system.

MAINTAINING AND SUMMARIZING RECORDS OF COST

Sponsors must be able to account for the receipt, obligation, and expenditure of all SFSP expenses. Records must be maintained that support all administrative and operational costs attributed to SFSP. This enables the state to substantiate claims for reimbursement.

Track your costs

- Excel Spreadsheets
- Existing accounting system
- SFSP Forms

Record Retention

- Must maintain all records for three years plus current year.

Failure to maintain records of cost is a program deficiency

Program Income from Non-Program Adults

- USDA recommends charging non-program adults the corresponding reimbursement rates per meal

- The money received must be documented as income to offset documented costs

- List on the claim as "Program Income"

- Utilize 6.1 Program Income form

Form 6.1
(Optional Form)

CASH REPORT FOR MEALS SOLD TO ADULTS (PROGRAM INCOME)
SUMMER FOOD SERVICE PROGRAM FOR CHILDREN (SFSP)

DATE:_____ NAME OF MEAL SITE: _____

NON-PROGRAM ADULT MEALS	TOTAL SOLD	x	PRICE OF MEAL	=	TOTAL INCOME
Adult Breakfasts		x		=	
Adult Lunches		x		=	
Milks		x		=	
			TOTAL	=	$

BILLS	+	COIN	+	CHECKS	=	TOTAL
	+		+		=	

_____   _____
Signature of Sponsor Representative   Date

_____   _____
Signature of Sponsor Representative   Date

OVER_____ SHORT_____EVEN _____

4.12 Operational/Administrative Expenditure Worksheet

Summer Food Service Program for Children (SFSP)
Operational Expenditures Worksheet

Sponsoring Organization								Month(s)		Verified By:		
Vendor/Payee	Date on Invoice	Invoice Number	Check Number	# of Milks Purchased	Food	Non-Food Supplies & Ice	Kitchen & Site Payroll, Taxes & Benefits	Mileage for Food Transport	Other Allowable Items	Beginning Inventory	TOTALS
											0.00
											0.00
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Operational Subtotals		# of Milks Purchased:	**0**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
		Recycled Milk:					Subtract Program Income (-)			0.00	
		Total Milks:	**0**				Subtract Inventory on Hand (-)			0.00	
							Total Operational Expenditures		$	-	

Operational | Administrative | +

Meal Cost for Vended Programs

The amount invoiced to the sponsor by the FSMC or SFA may include cost for the following items:

- Kitchen Labor

- Food

- Non-food supplies

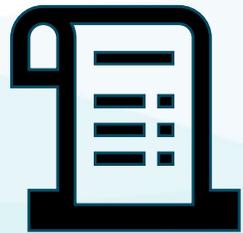- Kitchen utilities and permitting fees

- Facility use

The sponsor will not necessarily know the cost detail.

Sponsors should list the total invoice amount under the "other items" on the claim.

Food and Non-Food Inventory

The value of the beginning inventory is determined by taking a physical count before the food service operation begins.

The value of the ending inventory is a complete physical inventory of all purchased foods, and supplies, and must be taken at the end of the reporting period.

Inventory is a key aspect of a nonprofit food service and is required of sponsor.

Use Form 4.5 - Summer Food Service Program (SFSP) Inventory for Food and Non-Food Products to help list and organize inventory.

Reporting Cost on the Claim in EPICS

- Highly recommended- helps with maintaining your budget throughout program

- Failure to report cost could result in unused reimbursements

- Refer to summarized records of cost

  o Operational

  o Administrative

- May report cost by the month or at the end of the Program

  o You can combine total cost onto one claim

- Do not delay submission of claim due to unavailability of total cost

  o The reporting or non-reporting of cost does not affect payment

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Operational Subtotals		# of Milks Purchased:	0	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Recycled Milk:						Subtract Program Income (-)			0.00	
	Total Milks:	**0**					Subtract Inventory on Hand (-)			0.00	
							Total Operational Expenditures			$ -	

Operational   Administrative   +

Reporting Operational Costs in EPICS

Click →

SFSP Claims $

Actual Operational Costs

→ Other Allowable Items $ ___

→ Mileage for Food Transport $ ___

→ Non Food Supplies and Ice $ ___

→ Food $ ___

→ Kitchen & Site Payroll, Taxes & Benefits $ ___

Beginning Inventory $ ___

Operational Subtotal $0.00

Subtract Program Income (-) $ ___

Subtract Inventory on Hand (-) $ ___

Total Operational Entitlement $0.00

★ If using Operation Expenditure Excel Worksheet, this will be an easy transfer of costs.

Reporting Administrative Costs in EPICS

Click →

SFSP Claims $

Actual Administrative Costs

Other Items	$
Mileage for Monitor/Training	$
Outreach/Advertising	$
Telephone/Postage	$
Office Supplies/Copying	$
Administrative Salaries, Taxes and Benefits	$
Beginning Inventory	$
Administrative Subtotal	$0.00
Subtract Inventory on Hand (-)	$
Total Administrative Entitlement	$0.00

★ If using Administrative Expenditure Excel Worksheet, this will be an easy transfer of costs.

FNB Summer Food Service Program Contacts

Loren Miller
Family Nutrition Bureau Chief
Email: loren.miller@ececd.nm.gov
Ph: 505-660-0864

Debra Candelaria
SFSP Program Manager
Email: debra.candelaria@ececd.nm.gov
Ph: 505-699-2596

Christine Juancho
SFSP Lead Compliance Officer
Email: christine.juancho@ececd.nm.gov
Ph: 505-699-2627

Cassie Martinez
SFSP Compliance Officer
Email: cassie.martinez@ececd.nm.gov
Ph: 505-637-1440

Vacant
SFSP/CACFP Compliance Officer
Email: Vacant
Ph: Vacant

Laura Spencer
Nutrition Program Manager
Email: laura.spencer2@ececd.nm.gov
Ph: 505-946-8558

Brianna Castillo
Nutritionist II
Email: brianna.castillo@ececd.nm.gov
Ph: 505-699-0277

Ronna Faris
Nutritionist II
Email: ronna.faris@ececd.nm.gov
Ph: 505-690-6362

Cathy Lubold
Executive Administrative Assistant
Email: cathy.lubold@ececd.nm.gov
Ph: 505- 231-4703

Guadalupita Perez
Management Analyst Supervisor
Email: Guadalupita.perez2@ececd.nm.gov
Ph: 505-470-5196

Program Resources for SFSP Sponsors-
https://summerfoodnm.org/sponsors/
program-resources

More information about the New Mexico Early Childhood Education and Care Department-*Programs for Parents and Professionals*
https://nmececd.org