



Child Care Food Program

SUPPLEMENTAL BUDGET FOR SPECIAL COST ITEMS

Authorization #: _____ Name of Organization: _____

Check one: **Original budget** **Amended budget** Fiscal Year _____

- Use this form to list any special cost items for which you are requesting prior written approval (per current revision of FNS Instruction 796-2) in your budget; **failure to receive prior approval means that these cost items must not be charged to the CCFP.**
- Documentation to support these CCFP costs must be maintained by your organization and are subject to review prior to and after approval.
- **Before completing this form, refer to the guidance and instructions provided on page 4.**

SPECIAL COST ITEMS	DOLLAR AMOUNT Administrative	DOLLAR AMOUNT Operational (Food Service)
1. Special Compensation		
(A) Compensation to the nonprofit organization's trustees, directors, officers, or family members for CCFP services performed.....		
(B) Stipends to compensate board members for the costs of attending corporate meetings when CCFP business is conducted.....		
(C) A substantial increase in the organization's level of compensation to an individual or all employees funded from CCFP reimbursements.....		
(D) Excess funds from the organization's nonprofit food service account used for increases in salaries or fringe benefit costs to improve food service operations.....		
2. Overtime, Holiday Pay and Compensatory Leave		
(A) Payment of overtime, holiday pay for work performed on a non-work holiday, and/or compensatory leave.....		
(B) Incentive payments and awards exceeding \$500 made to CCFP funded employees.....		
(C) Severance pay for CCFP funded employees when it does not constitute excess compensation.....		
(D) Deferred compensation for CCFP funded employees when the deferral is in the best interest of the CCFP (other restrictions apply; see current FNS Instruction 796-2).....		
(E) Amendments or modifications to approved deferral plans for CCFP funded employees		
3. Contributions, Donation Costs, and Advertising		
(A) Costs required to make goods or services donated to the organization usable for the CCFP (donated or volunteer labor is unallowable).....		
(B) Advertising costs solely for: (a) recruitment of personnel for the CCFP; (b) the procurement of goods and services for the CCFP; (c) the disposal of scrap or surplus acquired in the performance of the CCFP except when disposal costs are reimbursed; (d) program outreach		
4. Depreciation - Equipment and Improvements \$5,000 or more		
(A) Using a <u>different</u> method of depreciation for space and facility other than the 30 year straight line method or a method accepted by the IRS.....		
(B) For publicly owned buildings, the amount assigned as the acquisition cost.....		
(C) Using a <u>different</u> method of depreciation for equipment other than the 15 year straight line method or a method accepted by the IRS.....		

5. Direct Expensing - Equipment and Other Property \$5,000 or more	\$ Amount (Adm.)	\$ Amount (Op.)
The program's share of the cost of equipment or property purchased by the organization for use in the CCFP (typically this applies to large food service equipment; see current FNS Instruction 796-2 for a list of exclusions).....		
6. Facilities and Space Costs		
The costs for rearrangement and alterations to facilities owned by the organization that are necessary for efficient and effective CCFP operations but do not result in capital improvements.....		
7. Insurance		
(A) Costs of other insurance maintained by the organization in connection with the general activities of the CCFP when the type, extent and cost of coverage is in accordance with the general state or local government policy and sound business practices.....		
(B) Costs of insurance or contributions to any self-insurance reserve covering the risk, loss, or damage to Federal Government property to the extent that the organization is liable for such loss or damage.....		
(C) Cost of directors and officers insurance provided that the insurance policy actually provides liability coverage related to the CCFP and, if the policy also provides coverage for non-CCFP liability, the CCFP share of the cost is properly allocated.....		
(D) Contributions to a reserve for self-insurance to the extent that the reserve meets state insurance requirements and the type of coverage, extent of coverage and the rates and premiums that would have been allowed had insurance been purchased to cover the risks.....		
8. Employee Health and Welfare Costs and Credits		
(A) The cost of professional crisis intervention counseling and emergency medical care when the costs are a direct result of participation in the CCFP.....		
(B) Cost of current benefits provided to program employees if these benefits were provided to the same class of employees prior to participation in the CCFP.....		
(C) Cost of new or expanded benefit programs if existing benefit programs were provided to the same class of employees prior to participation in the CCFP.....		
9. Interest and Other Financial Costs		
(A) Stop payment charges for reimbursement payments and other CCFP disbursements, whether by check or EFT.....		
(B) CCFP account reconciliation and analysis fees, including the allocated share of fees charged for commingled accounts.....		
(C) Interest on organizational debt for non-profit private organizations and for public organizations, used to acquire or replace allowable CCFP equipment or other property or make allowable CCFP improvements are allowable <u>if</u> the following documentation requirements are met and forwarded to DOH:..... --a financing arrangement, which is a bona-fide arms-length transaction between unrelated parties, requires full disclosure to DOH --a financing arrangement, which is not an arms-length transaction, requires full disclosure to DOH and the Federal Regional Office		
10. Tier I Day Care Home Licensing Costs (up to \$300 per home)		
Costs for the following items are allowable <u>only</u> if the items are necessary for unlicensed Tier I eligible day care homes to meet licensing requirements:		
(A) Supplies such as smoke detectors and fire extinguishers.....		
(B) Minor alternations such as adding handrails.....		
(C) The costs of fire and safety inspections and licensing fees.....		
11. Legal Expenses and Other Professional Services		
(A) The sponsoring organization's cost to pursue administrative and judicial recovery of CCFP funds due from sponsored facilities when the costs are reasonable in relation to the amount of the funds due.....		
(B) The organization's costs for CCFP-related services performed by individuals who <u>are not</u> officers, employees or members of the organization but who are members of a <u>particular profession or possess a particular skill</u>		
12. Purchased Services for Program Operation – Other (Excluding Professional Services as listed above)		
(A) Transactions that are not arms-length and/or involve related parties for purchased services.....		
(B) Maintenance and service repair <u>contracts</u> on CCFP equipment.....		
(C) All <u>other</u> purchased and contractual service costs needed for CCFP operation.....		

13. Proposal Costs	\$ Amount (Adm.)	\$ Amount (Op.)
The costs of preparing proposals for potential FNS Child Nutrition Program grants.....		
14. Membership in Civic and Other Organizations		
Costs of public and not-for-profit organizations memberships in civic or community organizations for CCFP funded employees; requires full disclosure to DOH and the Federal Regional Office with accompanying documentation.....		
15. Conferences		
The prorated share of travel and registration fees when the CCFP is only a portion of a larger child care related agenda.....		
16. Management Studies		
The cost of studies directly related to the program that are performed by entities other than the organization itself.....		
17. CCFP Rental Costs		
Special lease arrangements – capital leases, sale-with-lease-back leases, less-than-arms-length transactions, and lease with option-to-purchase (documentation must accompany this form).....		
18. Communication and Technology Costs		
Cellular phones, pagers, and related charges		
TOTAL		

Signature of Chairman of the Board, Executive Director, CEO,
President, Head Clergy Member, or Delegated Authority

Printed Name

Title

Date

For DOH Use Only:	
Approved by: _____ (Program Specialist Signature)	Date Approved: _____
Approved by: _____ (Headquarters Approver Signature)	Date Approved: _____

Guidance for using the Supplemental Budget for Special Cost Items

Use the following **Common Special Cost Items** chart to help determine whether or not you need to charge special cost items to the CCFP and complete a Supplemental Budget. Keep in mind that this is a list of common special cost items charged to the program; the Supplemental Budget for Special Cost Items form includes a complete listing of special cost items. More detailed information can be found in the current revision of FNS Instruction 796-2.

Common Special Cost Items	Corresponding # on Supplemental Budget
Overtime pay	2. A.
Equipment costing more than \$5,000 and which is used exclusively for the CCFP can be directly expensed; otherwise, without specific prior written approval, the cost of that item can only be recovered through “depreciation” which is approved through the annual (regular) budget approval process	4
Professional and consultant services that are CCFP related: attorney costs related to administrative review, accountant (for non tax services), management consultant, nutritionist; Semi-professional services: bookkeeping services, internet/web design consultant, computer programming services	11. B.
Less-than-arm’s-length and related party transactions are NOT common to the program; however, it is important to note that you MUST disclose these relationships/transactions to DOH if they relate to the program in <u>any</u> way. <ul style="list-style-type: none"> • Less-than-arm’s-length transactions occurs when the parties involved are <u>not</u> independent and/or have a relationship to each other. • Related party transactions are less-than-arm’s-length transactions since they involve persons who are related to each other. • Examples of less-than-arm’s-length and related party transactions include, but are not limited to, those involving family members (such as a parent and child, spouses, or siblings), a subsidiary (such as a branch, auxiliary, or subordinate business), and/or a parent company (which is the business with ownership, control or influence over a smaller business). 	12. A.
Maintenance <u>CONTRACTS</u> and service repair <u>CONTRACTS</u> on CCFP equipment	12. B.
Any purchased or contractual service such as janitorial, pest control, security, trash pick-up, etc.	12. C.
Cellular phones, pagers, and related charges	18. A.

How to complete the Supplemental Budget:

1. Fill in your CCFP authorization number (if one has been assigned) and your organization name.
2. Check “Original budget” if you are submitting your first CCFP budget of the fiscal year, or check “Amended budget” if you are submitting a budget amendment during the fiscal year.
3. Fill in the blank after “Fiscal Year,” indicating the fiscal year to which this form applies. For example, if the applicable fiscal year is October 2016 to September 2017, you would enter 2016-2017.
4. On the blank Supplemental Budget enclosed, indicate the dollar amount for each specific item of cost you plan to charge to the CCFP in the column titled “Dollar Amount/Administrative” or “Dollar Amount/Operational (Food Service),” whichever is appropriate for the specific item.
5. Total the amount(s) in the “Dollar Amount” column(s) and enter the total(s) on the “TOTAL” line on Page 3.
6. For sponsors of unaffiliated child care centers, sponsors of day care homes, and sponsors of unaffiliated afterschool sites include the reported amounts on the appropriate CCFP automated budget schedule(s). For all other contractor types, include each “TOTAL” on your CCFP Budget form in either Food Service/Operational Costs-Other, or Administrative Costs-Other, as applicable; write in the words-“special cost item(s)” on the “Describe” line of your organization’s CCFP Budget under “Other (Includes Special Cost Items).”
7. The employee who completed the form must list their name and title, then sign and date.
8. Attach the Supplemental Budget form to your CCFP Budget form.