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DEPARTMENT OF EDUCATION
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**FISCAL YEAR 2015
CHILD AND ADULT CARE FOOD PROGRAM
OPERATIONAL MEMORANDUM #13**

TO: Child and Adult Care Food Program Institutions

FROM: Marla J. Moss, Director
Office of School Support Services

DATE: March 13, 2015

SUBJECT: Assessing Costs in the Child and Adult Care Food Program

The attached tip sheet on "Assessing Costs in the Child and Adult Care Food Program (CACFP)" provides guidance on the process the Michigan Department of Education (MDE) and Sponsors should use when considering proposed uses of the nonprofit food service account funds for CACFP-related costs.

MDE and Sponsors have the discretion to determine what costs are allowable for nonprofit food service account funds when cost principle guidelines are followed. In determining what proposed costs and related activities may be supported by the nonprofit food service account, an institution and MDE should assess whether the cost is allowable by considering the activity's impact in supporting the operation and/or improvement of the CACFP. In doing so, a Sponsor and MDE must consider whether the proposed cost is reasonable, necessary, and allocable in accordance with 2 CFR Part 200 "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart E – Cost Principles".

Cost principles serve an important function when considering proposed costs and assisting program operators in better understanding how nonprofit food service account funds are being used. Cost principles must be used for the purpose of cost determination and are not intended to dictate the extent of financial assistance for a particular cost objective.

If you have any additional questions concerning this memorandum, please contact the Child and Adult Care Food Program Office at 517-373-7391.

Attachment

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608 WEST ALLEGAN STREET • P.O. BOX 30008 • LANSING, MICHIGAN 48909
www.michigan.gov/mde • 517-373-3324