



STATE OF MICHIGAN
DEPARTMENT OF EDUCATION
LANSING



JENNIFER M. GRANHOLM
GOVERNOR

THOMAS D. WATKINS, JR.
SUPERINTENDENT OF
PUBLIC INSTRUCTION

**FISCAL YEAR 2004
CHILD AND ADULT CARE FOOD PROGRAM**

OPERATIONAL MEMO #10

TO: Child and Adult Care Food Program Sponsors

FROM: Julie Stark, Interim Director
Grants Coordination and School Support Services

DATE: April 16, 2004

SUBJECT: **Administrative Costs Claim Edit and Warning on Status Report (SM-4213-C)**

To be in compliance with the federal regulations, administrative costs may not exceed 15% of the meal reimbursement value on a year-to-date basis [7CFR 226.6(f)(3)]. Should administrative costs exceed 15% of the meal reimbursement on a monthly basis, the amount claimed and the percentage of administrative costs to meal value will be highlighted in neon pink on the claim month status report (SM-4213-C) located under the Administrative Ratio section. The pink highlighted warning will also show when the year-to-date percentage of administrative costs to meal value is more than 15%.

Sponsors will not be allowed to claim more than 15% administrative costs on a year-to-date basis. If a sponsor exceeds the 15% yearly administrative cost, it will be disallowed and the portion exceeding the budgeted amount must be paid back to the Child and Adult Care Food Program (CACFP).

Sponsors are not permitted to enter administrative costs to their claim for reimbursement if the FY 2004 CACFP approved budget does not include them. Should you desire to claim administrative costs, you must first amend your budget in Child Nutrition Application Program (CNAP).

A sponsoring organization of centers may request a waiver for administrative costs in excess of 15% of the estimated meal reimbursements for the budgeted year if justification is provided to the State Agency and if the State Agency is convinced that the institution will have adequate funding to provide meals [7CFR 226.6(f)(3)]. The waiver form is attached.

STATE BOARD OF EDUCATION

KATHLEEN N. STRAUS – PRESIDENT • HERBERT S. MOYER – VICE PRESIDENT
CAROLYN L. CURTIN – SECRETARY • JOHN C. AUSTIN – TREASURER
MARIANNE YARED MCGUIRE – NASBE DELEGATE • ELIZABETH W. BAUER
REGINALD M. TURNER • EILEEN LAPPIN WEISER

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

Page 2

If you have any questions regarding this policy, please contact Child and Adult Care Program staff at (517) 373-7391.

Please keep this memo on file or in a notebook for quick and easy reference.

Attachment