



STATE OF MICHIGAN  
DEPARTMENT OF EDUCATION  
LANSING



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**FISCAL YEAR 2009  
CHILD AND ADULT CARE FOOD PROGRAM  
FAMILY DAY CARE HOME SPONSOR  
MEMORANDUM #2**

**TO:** Family Day Care Home Sponsors

**FROM:** Mary Ann Chartrand, Director  
Grants Coordination and School Support

**DATE:** October 15, 2008

**SUBJECT: Personal Cell Phones and Internet Charges**

The United States Department of Agriculture's (USDA) Food and Nutrition Services, Midwest Regional Office recently received the following questions regarding the allowable cost of personal use of cell phones and internet services as they relate to the Child and Adult Care Food Program (CACFP).

- Some sponsors reimburse monitors a flat rate for the business use of their personal cell phones. Is this an allowable cost?
- Some sponsors reimburse monitors a portion of the monitor's home internet fees. Is this an allowable cost?

These are not allowable costs, according to FNS 796-2, Revision 3, Financial Management – Child and Adult Care Food Program, (page 23, 8b, and 1). Communication supplies or services leased or purchased by individuals are unallowable costs. This is due to the difficulty in allocating the costs and controlling personal usage that might infringe upon CACFP costs.

Technological advances have added complexities to separating a piece of equipment's respective use that is not directly addressed in FNS 796-2. It would be very difficult to identify the CACFP's share of cell phone calls that have been made if that phone is on a family plan. The exact minutes used per each type of call would be difficult to determine, as would any features offered by the cell phone company with a family plan that is not a benefit to the CACFP. The same considerations would apply to the internet.

As times progress and usage of appropriate billing technology becomes more commonplace, USDA may revisit FNS 796-2 to consider the unidentified factors that changes in technology bring. Until that time, however, flat rate reimbursements for use of personal cell phones or the internet are not considered allowable costs. Sponsoring organizations have the option to lease and purchase equipment for business use on the employees' behalf.

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