



STATE OF CONNECTICUT
DEPARTMENT OF EDUCATION



TO: Child and Adult Care Food Program (CACFP) Child and Adult Day Care Centers

FROM: John D. Frassinelli, Division Director
School Health, Nutrition and Family Services

DATE: February 23, 2023

SUBJECT: Operational Memorandum No. 2A-23 and 2C-23
Income and Expenditure Reports

All institutions participating in the Child and Adult Care Food Program (CACFP) must operate a nonprofit food service that is principally for the benefit of enrolled participants. This requirement applies to all independent as well as sponsors of child care centers, emergency shelters, outside-school-hours care centers, adult day centers, and at-risk afterschool care snack and supper programs.

To document the maintenance of a nonprofit food service operation, each institution is required to submit an annual income and expenditure report to the Connecticut State Department of Education (CSDE). This report must reflect all income, expenditures, and the value of ending inventories of food and supplies related to the operation and/or administration of the CACFP. The required information is included on the CSDE's Excel form, *CACFP Nonprofit Status Income and Expenditure Report for Child Day Care Centers, Emergency Shelters, At-risk Afterschool Programs, and Adult Day Care Centers*. The form and instructions are available under "Income and Expenditure Report" in the "Documents/Forms" section of the CSDE's webpage for each type of CACFP institution.

- CACFP Adult Day Care Centers: <https://portal.ct.gov/SDE/Nutrition/CACFP-Adult-Day-Care-Centers/Documents#I>
- CACFP At-risk Afterschool Care Centers: <https://portal.ct.gov/SDE/Nutrition/CACFP-At-Risk-Afterschool-Care-Centers/Documents#I>
- CACFP Child Care Centers: <https://portal.ct.gov/SDE/Nutrition/CACFP-Child-Care-Centers/Documents#I>
- CACFP Emergency Shelters: <https://portal.ct.gov/SDE/Nutrition/CACFP-Emergency-Shelters/Documents#I>

This form, or another fiscal report containing the same information, must be submitted to the CSDE to meet the CACFP reporting requirement. **Note:** This memorandum with the Excel form and instructions must be forwarded to the appropriate agency personnel responsible for the organization's fiscal operation.

The annual income and expenditure report must cover the period between **October 1, 2021, through September 30, 2022**, or with the CSDE’s approval, another 12-month period that reflects the fiscal structure of the organization.

Please note the following important information below. Refer to the instructions ([Instructions for CACFP Nonprofit Status Income and Expenditure Report for Child Day Care Centers, Emergency Shelters, At-risk Afterschool Programs, and Adult Day Care Centers](#)) for additional guidance on completing the form.

- Line 4, “Beginning Balance in the CACFP Food Service Account,” is the reported line 7A, “Ending Cash Balance” from the CACFP institution’s income and expenditure report for the **prior** year (October 1, 2020, through September 30, 2021). **This number will always be zero, unless CACFP reimbursement was left over at the end of the prior year.**
- Line 5D, “CACFP Emergency Operating Costs (EOC) Reimbursement Program,” should reflect the amount of federal reimbursement that the institution received from the CSDE under the EOC Reimbursement Program in October 2021. This additional EOC funding was distributed to CACFP operators whose revenues declined or were temporarily interrupted during the early months of the COVID-19 pandemic. Refer to the CSDE’s [Operational Memorandum 4A-21, 4C-21 and 4H-21](#) for a list of EOC reimbursements paid to eligible CACFP operators.
- Expenditures reported in section 6, “Program Expenses,” must be determined using the accrual basis of accounting and must correspond with the institution’s approved CACFP budget lines for the same reporting period.

The CSDE will evaluate income and expenditures to ensure that each CACFP institution meets the standard for maintaining a nonprofit food service operation. The standard established for Connecticut is that the ending cash balance for any operation does not exceed the equivalent of three months’ operating costs. If the CSDE determines that the cash balance for any operation exceeds the standard, a corrective action plan will be requested to address the investment of the excess cash balance for the improvement or expansion of the food service operation.

The annual income and expenditure report must be submitted to the CSDE by **March 31, 2023**. Complete and scan the form and e-mail it to the CACFP team member who approved the institution’s fiscal year 2022-23 CACFP application renewal packet.

Questions may be directed to the CSDE’s [CACFP team member](#) for child and adult care centers.

JDF:shb

Important: This is a numbered Connecticut State Department of Education (CSDE) operational memorandum that contains important program information. Please read carefully and retain for future reference. All CSDE operational memoranda are posted on the CSDE’s [Operational Memoranda for the CACFP](#) webpage.