

**OKLAHOMA STATE DEPARTMENT OF EDUCATION  
CHILD NUTRITION PROGRAMS  
SUMMER FOOD SERVICE PROGRAM (SFSP)**

**SPONSOR BUDGET APPROVAL GUIDELINES**

1. The following guidelines are to be followed when approving a potential sponsor's budget for the SFSP application.
  - A. If the sponsor is new to the program, compare the proposed budget to those of experienced sponsors similar in size, location, and type of organization.
  - B. If the sponsor is a returning sponsor to the program, compare the current year budget with the budget that was approved in the previous year.
  - C. If the sponsor is a multi-state sponsor, numbers 1 and 2 apply and would also include making contact with other States to discuss the budget.
2. Allowable operating costs are costs incurred by the sponsor for preparing and serving meals to eligible children and program adults (7 CFR 225.2 definitions and FNS Instruction 796-4, Rev. 4). These costs include but are not limited to:
  - A. cost of food used
  - B. labor
  - C. nonfood supplies
  - D. space for the food service
3. Rural sites may include costs that are directly incurred in transporting children from rural homes to rural food service sites. All costs must be fully documented, and they must represent actual program costs.
4. Allowable administrative costs are costs incurred by the sponsor for activities related to planning, organizing, and administering the program (7 CFR 225.2 definitions and FNS Instruction 796-4, Rev. 4). Generally, these activities include:
  - A. preparing and submitting an application for participation, including a management plan containing budgets of operating and administrative costs and staffing and monitoring plans
  - B. establishing the eligibility of open or restricted open sites by collecting school or census tract data or family income eligibility forms for closed enrolled sites to determine if 50 percent or more of the children are eligible
  - C. for camps, determining the number of children eligible based on a review of family size and income forms
  - D. attending training provided by the State agency
  - E. hiring and training site and administrative personnel
  - F. visiting sites, reviewing and monitoring operations at sites, and documenting these visits and reviews
  - G. preparing and submitting a plan for and summary of the invitation to bid when the sponsor wants to contract with a food service management company
  - H. preparing and submitting claims for reimbursement

- I. performing other activities that are necessary for planning, organizing, and managing the program. Generally costs incurred for these activities are:
  - i. labor costs for administrative activities
  - ii. rental costs for offices, office equipment, and vehicles
  - iii. vehicle allowance and parking expenses
  - iv. office supplies
  - v. communications
  - vi. insurance and indemnification
  - vii. audits
  - viii. travel
  
5. Unallowable Costs are costs for which program funds may not be used (FNS Instruction 796-4, Rev. 4). They include but are not limited to:
  - A. Costs for excess meals ordered or prepared but not served to eligible children, i.e., meals in excess of legitimate program adult meals and reimbursable meals, unless specifically approved by the State agency
  - B. Meals served in violation of program requirements, e.g. additional foods served that are not compliant with the meal patterns, meals or components consumed off-site, second meals served in excess of the 2 percent tolerance
  - C. Rental costs for periods beyond the close-out date for program operation
  - D. Any other costs incurred that program officials determine to be in violation of applicable laws or regulations
  - E. The cost to purchase food (including coffee, etc.) for use outside of the SFSP
  - F. The cost of meals served to administrative adult personnel, or any other adults that are not in the operation of the food service
  - G. Cost of spoiled or damaged meals
  - H. For vended sponsors, the cost of meals delivered by a food service management company to a non-approved site or for meals not delivered within the agreed upon delivery time, meals served in excess of the approved cap, spoiled or unwholesome meals, or meals that do not meet meal requirements or quality standards
  - I. Bad debts, which are any losses arising from non-collectible accounts and other claims and related costs
  - J. Repayment of over-claims and other federal debts
  - K. Contributions and donations including contingency reserves, USDA-donated commodities and other donated food, labor, and supplies
  - L. Fines or penalties resulting from violations of or failure to comply with federal, state, or local laws and regulations
  - M. Entertainment and fundraising costs
  - N. Interest on loans, bond discounts, costs of financing and refinancing operations, and legal and professional fees paid in connection therewith
  - O. Costs resulting from an under-recovery of costs under other grant agreements

- P. Direct capital expenditures or option to purchase rental costs for
- i. acquisition of land or any interest in land
  - ii. acquisition or construction of buildings or facilities, or the alteration of existing buildings or facilities
  - iii. non-expendable equipment of any kind
  - iv. repairs that materially increase the value or useful life of buildings, facilities, or non-expendable equipment
  - v. other capital assets, including vehicles