

# Viability, Capability, and Accountability (VCA) Checklist

Institution/Sponsor Name: \_\_\_\_\_

Primary Contact Person: \_\_\_\_\_

Doing Business As: \_\_\_\_\_

Street Address: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Federal regulation 7CFR § 226.15(b) requires each new and renewing institution applying for participation in the Child & Adult Care Food Program (CACFP) and 7CFR Part 225.14 (c)(1) requires all new private nonprofit organizations, as well as returning private nonprofit organizations with a serious deficiency on their last Administrative Review applying for participation in the Summer Food Service Program (SFSP) to submit information sufficient to document that the institution is financially and administratively capable of operating the program and accepts final financial and administrative responsibility for total program operations. To document this, institutions must demonstrate that it is viable, capable, and accountable of operating in conformance with the following program requirements. The State agency can only approve applications that meet these program requirements and must deny the applications of those new institutions that do not meet these program requirements or who submit fraudulent information or documentation when applying for program participation.

## Instructions:

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- It may be helpful to reference the *USDA Administrative Guidance for Sponsors* and FNS Instruction 796-2, Rev. 4, *Financial Management – Child & Adult Care Food Program*.
- Answer all questions completely.
- Submit legible copies of all VCA checklist items.
- Submit all required documentation.

## Background and Eligibility

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Indicate which describes your institution (chose one):

Nonprofit (Secular) Institution

Nonprofit (Faith-Based) Institution

For-Profit Institution

State or Federal Government

Public Institution

Educational Institution

A private nonprofit college/university currently participating in the National Youth Sports Program (NYSP)

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A private nonprofit residential summer camp

Any other type of private nonprofit organization

A church (as stated in IRS Publication 557, Tax-Exempt Status for Your Organization)

Note: There is no Federal requirement that a church provide documentation of its tax-exempt status. However, OSDE may request documentation to verify the tax-exempt status.

## Financial Viability & Financial Management

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**To demonstrate that your institution/organization has adequate financial resources to operate the program on a daily basis, have adequate sources of funds to withstand temporary interruptions in program payments and/or to repay any debt or fiscal action against the institution/organization, and also able to document its financial viability, one of the following must be submitted.**

### **Select only ONE and submit ALL required supporting documentation:**

Note: The State Department of Education (SDE) may request any additional documentation as needed to determine financial viability.

- I. If applicable to your institution.

Audited financial statements performed by a Certified Public Accountant (CPA) in an independent audit conducted within the last two fiscal years;

**OR**

- II. If applicable to your institution.

Twelve months of financial statements, to include the following:

- **Statement of financial position or statement of net assets** -- This shows the assets, liabilities, and net assets of private nonprofit institutions. This report is commonly known as the balance sheet in the for-profit world.
- **Statement of activities or statement of changes in net assets** -- This reports the revenue, expenses, gains and losses for a private nonprofit. This report is commonly known as the income statement.
- **Statement of cash flows** -- This report has three sections - operating activities, investing activities, and financing activities.
- **Twelve months of all bank statements** from all account(s) in the name of the institution.

**OR**

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### III. If applicable to your institution.

For institutions less than 12 months old, provide the following financial documentation:

- **Statement of financial position or statement of net assets** -- This shows the assets, liabilities, and net assets of private nonprofit institutions. This report is commonly known as the balance sheet in the for-profit world.
- **Statement of activities or statement of changes in net assets** -- This reports the revenue, expenses, gains and losses for a private nonprofit. This report is commonly known as the income statement in the for-profit world.
- **Comprehensive financial statements and documentation** (i.e., cash flow statements, tax returns) for the amount of time for which the institution has a financial history.
- **Bank statements** for all account(s) in the name of the food institution for the amount of time for which the institution has a financial history.

- A. Institutions/organizations must have adequate resources for daily operations without the use of program funds. Unfortunately, there may be periods of program payment interruptions, when this happens, what other funds are available and will be used to cover the cost of the food program. *(supporting documentation will be required to verify financial viability)*
- B. Explain the planned procedures your institution/organization will implement to ensure the integrity and accountability of all program expenses, ensure that program funds will be used for allowable costs and that expenses will be supported by source documents (e.g., receipts, invoices). In other words, how do you ensure that program funds will be used for allowable costs only and how you plan to record and maintain record of those purchases and expenses:
- C. Please outline and explain the institution's/organization's procedure that ensures all funds received to operate the program are documented and credited to the nonprofit food service account:
- D. Describe the institution's/organization's current accounting method (e.g., accrual, cash basis, modified) used to track and manage financial information. Generally, most institutions are utilizing accrual basis accounting, which means the expense and/or revenue is recorded and accounted for as it happens, versus when it is paid. Regulations require that expenses be recorded in the month in which they occurred, not necessarily when they are paid (i.e. utility bills, credit card payments). Please explain your accounting method:

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- E. Please describe how your accounting method will clearly present information. Please give more detail as to how your institution/organization is ensuring that expense and revenue records will clearly describe the information. SDE provides adequate forms to record purchases and expenses, which are required to be used to ensure adequate and clear record of program related expenses. Please explain in detail how you will record the cost (if forms other than the ones SDE provide are used, they must be approved before use):
1. Explain how you plan to document when a program related cost was incurred and when it will be recorded.
  
  
  
  
  
  
  
  
  
  
  2. Explain how you plan to document where the program related cost was incurred (i.e., the name of business where purchase was made). Recording this type of information is necessary to ensure proper procurement was used for all purchases:
  
  
  
  
  
  
  
  
  
  
  3. Explain how you plan to document what the program related cost was for and the amount:
  
  
  
  
  
  
  
  
  
  
  4. Please describe the institution's accounting software used, if applicable - mark "N/A" if not applicable. (i.e. Quick Books, ProCare, Minute Menu, MS Excel):

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5. Please list the position(s) that will be responsible for developing the budget:
  
6. Please list the position(s) that will be responsible for reviewing and comparing actual expenses against budgeted amount:
  
7. Please list the position(s) that will be responsible for completing and submitting necessary budget revisions for SDE approval.
  
8. Please note when reviews of actual expenses against budgeted amounts take place (e.g., daily, weekly, biweekly, monthly):

- F. If the bank account your program funds will be deposited into is used for anything other than program related purchases, this is a co-mingled account. Will your program reimbursements be co-mingled with other funds in one single bank account?

Yes                      No

If yes, please describe your planned method for tracking program-related revenue and expenses.

- G. Bank accounts where program funds are deposited or transferred to and credit cards that are paid for with program funds must be available to SDE for review.

Do you understand this requirement?                      Yes                      No

# Viability, Capability, and Accountability (VCA) Checklist

## Administrative Capability

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The institution/organization must have an adequate number and type of qualified staff to ensure the operation of the Program. Please submit the following documentation to demonstrate that your institution/organization has adequate staff and oversight to ensure program compliance.

- A. **Attach a copy the current Organizational Chart** to this document before submission. The organizational chart must include all positions/titles/board members and/or For-Profit officers associated with the institution.

Is the Organizational Chart attached?                      Yes                      No

1. What is/are the rate of pay for each position in the organizational chart?

2. Outline the hours of work, including breaks and meal periods:

- B. **Attach a list of site personnel who will have program responsibilities** to this document before submission. The list must include full names, indicate what site (if there are more than one) the person is located at, and their program responsibility. *Note: If the same personnel are designated for multiple sites, you must ensure they can perform their duties at their designated sites during the designated time frame(s).*

Is the list of personnel attached?                      Yes                      No

- C. Please provide the institution's/organization's hiring plan.

1. Who is responsible for hiring personnel?

2. Have all personnel been hired?                      Yes                      No

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3. What is the plan for hiring all personnel prior to the first day of service (for all positions listed as "Vacant" in the organizational chart): (not applicable if personnel are already hired)
4. When will new personnel receive training on program duties? Note: personnel should not have any program duties prior to proper training.
5. Who is responsible for training new personnel on program duties?

## Viability, Capability, and Accountability (VCA) Checklist

**Institutions must have owners, an independent governing board of directors or for-profit officers which provide adequate oversight of the program. Private non-profit and some public institutions are required to have a governing board. Information must be provided for the individuals required to provide this oversight. Without complete and accurate information, applications cannot be approved.**

Do you understand this requirement?                      Yes                      No

- A. List all Owners and/or board members and/or For-Profit officers and their titles below. Provide each member's full legal name, their position title, and disclose any relationship to other board members or staff of the institution and their birthdate. *(This list and the information on your application must match. Update application, if needed)*

*\*ALL fields are required*

Board Member/Officer/Owner	Position on Board/Title	Relationship to other members or staff of the institution	Compensated (Yes or No)	Program Duties	Date of Birth



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- B. Describe how the owner, governing board, or institution's officers will have adequate oversight of the Program. All institutions/organizations are required to have program oversight. Explain how the person responsible for the oversight ensures program compliance (i.e. paperwork is properly maintained, staff adequately trained, meals meet minimum meal pattern requirements, claims are accurate, recordkeeping is adequate and maintained daily). ***(If applicable, submit copies of your last three Board Meeting Minutes, the By-laws, or a similar document, must grant program oversight responsibility to the governing board/officers.)***

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## Program Accountability

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The institution must follow procedures to ensure that the operation of the program is in accordance with program requirements.

- A. Describe institution's planned procedures for ensuring each of the following requirements is met:
  - 1. Explain in detail the institutions/organizations planned procedures for ensuring that meals served comply with program meal patterns and the procedures for when meals served do not meet the minimum meal pattern requirements:
  - 2. Please describe the institutions/organizations procedure that ensures the number of meals prepared or ordered during the Program will be adjusted as needed to provide only one meal per child at each meal service:
  - 3. **For CACFP ONLY:** Income eligibility and enrollment information must collected annually for any participant claimed as free or reduced price. Please explain, in detail, the institutions planned procedure for collecting Family Size and Income Applications. *Note- this requirement is not applicable for At-Risk programs, while Head Start programs must only collect annual enrollment and Head Start data:*

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4. Explain how daily records indicating the number of participants in attendance and the daily meals counts, by type will be collected and properly maintained:
  
5. Please describe the institution's/organization's procedure that ensures complete and accurate records of operating personnel time reports are kept in an organized manner:
  
6. Please describe the institution's/organization's procedure that ensures complete and accurate records of administrative personnel time reports are kept in an organized manner:
  
7. Explain how you will ensure that claims are processed accurately and in a timely manner (Claims are due by the 10<sup>th</sup> day of the month, claims cannot be submitted after the 60<sup>th</sup> day):

8. **For SFSP ONLY:** Does the organization have camp and/or closed-enrolled sites?

Yes

No

If yes, please describe the organization's procurement procedure that ensures complete and accurate records of eligibility forms are kept in an organized manner:

**B. Procurement Procedure:**

1. Please describe the organization's procurement procedure that ensures local, state, and federal procurement guidelines are followed:

## **Viability, Capability, and Accountability (VCA) Checklist**

**Program records must be retained in a secure location and must be available for review upon request. Describe the record retention plan which details how Program records are secure and stored to be available for review when needed.**

- A. What is the method you plan to use to ensure original records are kept for three years after the program year end, or longer, if required?
  
  
  
  
  
  
  
  
  
  
- C. What is the method you plan to use to ensure original records are organized and available on-site for review when needed?
  
  
  
  
  
  
  
  
  
  
- D. Where will original records be stored?
  
  
  
  
  
  
  
  
  
  
- E. How will original records be secured?
  
  
  
  
  
  
  
  
  
  
- F. Which position(s) has/have authorized access to original records?

## **Viability, Capability, and Accountability (VCA) Checklist**

### **G. Repayment of debt**

1. Your institution/organization must have adequate sources of funds to repay any debt or fiscal action against the institution/organization

Do you understand this requirement?      Yes      No

2. Funds from other USDA Child Nutrition Programs cannot be used for repayment of debt or unallowable costs.

Do you understand this requirement?      Yes      No

3. Unpaid debts are turned over to the Oklahoma Attorney General's Office for collection.

Do you understand this requirement?      Yes      No

### **H. What funds will be used repay any debt owed to the SDE?**

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## Certification

I certify under penalty of perjury that the information submitted on this form and all information submitted on supporting documentation is true and correct. I further attest that I will promptly report to the Oklahoma State Department of Education any substantive changes that occur to the information submitted. I understand that this information is being given in connection with receipt of federal funds. I understand that the Oklahoma State Department of Education may verify information submitted here and may ask for additional information. **I understand that the deliberate misrepresentation of information will subject me to prosecution under applicable federal and state criminal statutes.**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name

## Return this completed form and other requested documentation to:

### For SFSP mail to:

Child Nutrition Programs  
Dee Houston  
Oklahoma State Department of Education  
2500 N Lincoln Blvd., Suite 310  
Oklahoma City, OK 73105

OR email: [Dee.Houston@sde.ok.gov](mailto:Dee.Houston@sde.ok.gov)

### For CACFP mail to:

Child Nutrition Programs  
Kassandra Reddell  
Oklahoma State Department of Education  
2500 N Lincoln Blvd., Suite 310  
Oklahoma City, OK 73105

OR email: [Kassandra.Reddell@sde.ok.gov](mailto:Kassandra.Reddell@sde.ok.gov)

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To file a program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, (AD-3027) found online at: How to File a Complaint, and at any USDA office, or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by:

(1) Mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; or

(2) Fax: (202) 690-7442; or

(3) Email: [program.intake@usda.gov](mailto:program.intake@usda.gov).