

PROGRAM OPERATING COSTS

These are allowable costs incurred by the sponsor for preparing, transporting, and serving meals to eligible children.

- Food costs (itemized grocery receipts and purchasing invoices)
- Non-food supplies costs (itemized receipts and purchasing invoices)
- Storage, processing, and transportation of food and associated supplies (invoices and payment records)
- Food service labor costs (timesheets, payroll records, and personnel activity reports)
- Facilities and utility costs; transport of children to the meal site

PROGRAM ADMINISTRATIVE COSTS

These are allowable costs incurred by the sponsor for planning, organizing, and administering SFSP.

- Administrative labor costs (timesheets, payroll records, and personnel activity reports)
- Printing costs
- Mileage costs (such as for site visits and monitoring reviews)
- Indirect costs

UNALLOWABLE COSTS

These are costs for which Program funds may not be used. These include, but are not limited to (for a complete list of un-allowable costs, please refer to FNS Instruction 796-4):

- Bad debts (losses arising from non-collectible accounts and other claims and related costs)
- Payment of over claims, fines, and/or penalties resulting from Program violations;
- Entertainment costs
- Fundraising costs
- Gifts
- Capital expenditures (such as land, buildings, etc.)
- The cost of meals served to administrative adult personnel, or any other adults that are not in the operation of the food service
- The cost of meals served to ineligible children
- The cost of meals served in violation of Program requirements; (i.e., served outside approved time; missing/inadequate components; over approved site cap; consumed off-site, non-unitized, served to adults but included in count of reimbursable meals, etc.)
- The cost to purchase food (including coffee, etc.) for use outside of SFSP
- The cost of vended meals served in excess of the approved capacity, are spoiled or unwholesome, or that do not meet meal pattern requirements

For additional guidance, refer to SFSP 11-2015, *Assessing Costs in the Summer Food Service Program*, February 25, 2015.

<http://www.fns.usda.gov/sites/default/files/SFSP11-2015os.pdf>