

*Additional Information:*

United States Department of Agriculture Uniform Federal Assistance Regulations, 7 CFR Parts 3016, 3019, and 3052.

[www.gpo.gov/nara/cfr/index.html](http://www.gpo.gov/nara/cfr/index.html)

United States Department of Agriculture, Child and Adult Care Food Program Regulation, 7 CFR Part 226.

[www.usda.gov/cnd](http://www.usda.gov/cnd)

United States Department of Agriculture, Food and Nutrition Service, Instruction 796-2, Rev. 3, Financial Management -Child and Adult Care Food Program.

Office of Management and Budget Circulars: A-87, August 29, 1997; A-102, March 11, 1988; A-110, November 29, 1993; A-122, June 1, 1998; and A-133, June 24, 1997.

[www.whitehouse.gov](http://www.whitehouse.gov)

United States General Services Administration, Federal Acquisition Regulations, 48 CFR Part 31.

[www.gsa.gov](http://www.gsa.gov)

Contact State administering agencies or United States Department of Agriculture, Food and Nutrition Service Regional Offices for a copy of FNS Instruction, 796-2, Rev. 3, Financial Management -Child and Adult Care Food Program.



**U.S. Department of Agriculture  
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Child Nutrition Division  
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**CACFP**  
*Building for  
the Future*

**CHILD and ADULT  
CARE FOOD  
PROGRAM**

**FNS INSTRUCTION  
796-2, Rev. 3**

**# 4  
APPROVAL  
REQUIREMENTS**

*This is the fourth in a series of brochures on  
FNS Instruction 796-2, Revision 3.*

Prior approval means securing the State agency's, or in some cases FNS', written permission, in advance, to incur costs.

**What costs require prior approval?**

All Child and Adult Care Food Program (CACFP) costs require some form of prior written approval.

**Are there any exceptions?**

In emergencies, State agencies may grant verbal prior approval.

**Are there different types of prior approval?**

Yes. The requirements vary depending on whether the cost is:

- Generally allowable;
- Requires prior approval; or
- Requires specific prior written approval.

**What is a generally allowable cost?**

Generally allowable costs occur in the routine operation of the CACFP.

**What are the prior approval requirements for generally allowable costs?**

An institution must include these costs in the budget submitted to the State agency. These costs are approved through the annual management plan and budget approval process.

**What is the difference between a cost that requires prior approval and one that requires specific prior written approval?**

A cost that requires prior approval is an allowable cost but due to either the nature or amount of the cost, written prior approval is required.

Costs requiring specific prior written approval are costs that are not customarily incurred in the routine operation of the CACFP but can sometimes be necessary and reasonable for proper and effective Program operations.

**What are the requirements for costs requiring prior approval?**

The institution must specifically identify the cost item and amount during the budget submission process. Including the cost as part of a larger entry in a budget line item without identifying the cost item and amount is not sufficient and will not meet the requirement for adequate disclosure. When these cost items and amounts are properly disclosed, approval of the budget meets the requirement for prior approval unless the State agency specifically disallows the cost in writing.

**What are the requirements for costs requiring specific prior written approval?**

The institution must specifically identify and request approval of these costs during the annual budget approval process or submit a separate request to the State agency. Approval of a budget line item does not constitute adequate specific prior written approval for these costs. Whether submitted during the budget approval process or

separately, the State agency must approve or deny the requested cost in writing.

**Is there a timeframe in which the State agency must approve or disapprove the institution's request for specific prior written approval?**

Yes. Since a cost requiring specific prior written approval is an amendment to the institution's budget, the timeframes established at §226.6(b)(10) apply. The State agency must approve or deny a complete and correct request within 30 days of receipt.

**Can the institution appeal the denial of a cost?**

Yes, when the denial will affect the institution's claim for reimbursement or participation.

**What must a State agency do when an institution does not request specific prior written approval before incurring the cost?**

The cost must be disallowed.

**Does approval of a cost guarantee funding?**

No. Approval of cost is never a guarantee of funding.

*NOTE: Additional requirements may apply. Consult 796-2, Rev. 3 and the appropriate administering agency for more information.*