FNS 796-2, Revision 3 Items Requiring Prior Approval, Specific Prior Written Approval and FNSRO Approval

				Prior	Specific Prior Written	FNSRO
Topic or Cost	Section	Page #	Description	Approval	Approval	Approval
Advertising and Public	3 a (2)	20	Public relation costs for pamphlets, news	YES		
Relation Costs			releases and other information services			
Communications	8 a (1)	23	Cellular phones and pagers owned or leased by	Up to SA	Up to SA	
			the institution – SAs may impose prior approval			
			or specific prior written approval			
Contributions and Donation	10 a	24	Costs required to make goods or services		YES	
Costs			donated to the institution usable for the			
			Program			
FDCH Licensing Standard	12 a	27	Supplies such as smoke detectors and fire		YES	
Costs	(1,2 &		extinguishers; minor alterations such as adding			
	3)		handrails; and the costs of fire and safety			
			inspections and licensing fees that are required			
			to permit an income eligible day care home to			
			meet licensing approval standards			
Depreciation and Use	13 a	29	All space and facility depreciation methods		YES	
Allowance	(1)(b)		other than 30-year straight line or method used			
			and accepted for Federal income tax reporting			
			purposes			
	13a	29	For publicly-owned buildings, the amount		YES	
	(1)(c)		assigned as the acquisition cost			
	13 a	30	All equipment depreciation methods other than		YES	
	(2)(a)		15-year straight line depreciation or method			
			used and accepted for Federal income tax			
		_	reporting purposes			
	13 d (1)	31	Unknown acquisition cost		YES	
Employee Morale, Health and	14	31	All costs in this category		YES	
Welfare Costs and Credits						

				Prior	Specific Prior Written	FNSRO
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Expensing Equipment and	16 a	33	The program's share of the cost for most		YES	
Other Property			equipment and improvements can be directly			
			expensed (NOTE: see 16 b for unallowable			
			costs.)			
Facilities and Space Costs	17 a (3)	35	The costs for rearrangement and alterations to		YES	
			facilities owned by the institution that are			
			necessary for efficient and effective program			
			operations but do not result in capital			
	_	_	improvements (NOTE: see unallowable costs.)		_	
Insurance	21 a	37	Costs of other insurance, not required by the		YES	
	(1)(a)		SA, that is maintained by the institution in			
			connection with the general activities of the			
			Program when the type, extent, and cost of			
			coverage are in accordance with general State			
			or local government policy and sound business			
	21 -	27	practices		VEC	
	21 a	37	Costs of insurance or contributions to any self-		YES	
	(1)(b)		insurance reserve covering the risk, loss, or			
			damage to Federal Government property to the			
			extent that the institution is liable for such loss			
	21 a	37	or damage Contributions to a reserve for self insurance to		YES	
	_	3/	the extent that the reserve meets State		1 1 1 2	
	(1)(c)		insurance requirements and the type of			
			coverage, extent of coverage, and the rates and			
			premiums would have been allowed had			
			insurance been purchased to cover the risks			
			insurance been purchased to cover the risks			

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Interest, Fund Raising and	22 a	38	Stop payment charges for facility advance and		YES	
Other Financial Costs	(1)(a) i		reimbursement payments and other Program			
			disbursements, whether by check or EFT			
	22 a	38	Program account reconciliation and analysis		YES	
	(1)(a) ii		fees, including the allocated share of fees			
			charged for commingled accounts			
	22 a (2)	38	Interest incurred after 10/1/98, for non-profit		YES	
			private institutions and after 10/1/80, for public			
			institutions on institutional debt used to acquire			
			or replace allowable equipment or other			
			property or make allowable improvements			
			(NOTE: See unallowable costs.)			
	22 c (1)	40	Arms length transactions involving loans or		YES	
			financial transactions (NOTE: See section on			
			information required when requesting specific			
			prior written approval.)			
	22 c (2)	41	Less-than-arms-length transactions involving		YES	YES
			loans or financial transactions (NOTE: See			
			section on information needed when requesting			
			specific prior written approval.)			
Labor Costs	23 d (1)	48	Compensation to members of nonprofit		YES	
			institutions, trustees, directors, associates,			
			officers or the immediate families thereof			
	23 d (2)	48	Stipends to compensate board members for the		YES	
			costs of attending corporate meetings when			
			Program business is conducted			

				Prior	Specific Prior Written	FNSRO
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	23 d (3)	48	Any change to an institutions compensation		YES	
			policy that results in a substantial increase in			
			the institution's level of compensation to an			
			individual or all employees			
Overtime, Holiday Pay and	23 h	51	Payment of overtime, holiday pay for work		YES	
Compensatory Leave			performed on a nonwork holiday and			
			compensatory leave (NOTE: See section			
			regarding exceptions.)			
	23 i	53	Inventive payments and awards (except for		YES	
			awards of minimal value, see i (6).)			
Overtime, Holiday Pay and	23 j	55	Severance pay when it does not constitute		YES	
Compensatory Leave			excess compensation and is required by law,			
			written employer/employee agreement, written			
			policies of the institution, or the terms of a			
			negotiated written labor relation agreement			
	23 k	58	Amendments or modification to approved		YES	
	(11)		deferral plans			
Legal Expenses and Other	24 a (1)	59	The sponsoring organization's cost to pursue		YES	
Professional Services			administrative and judicial recovery of funds			
			due from sponsored facilities			
	24 a (2)	59	The institution's costs for services performed by		YES	
			individuals who are not officers, employees or			
			members of the institution (NOTE: See section			
			for additional information.)			
Management Studies	26 (a)	62	The cost of studies directly related to the		YES	
			Program that are performed by entities other			
			than the institution itself			
Materials and Supplies	27	63	SAs may establish specific prior written approval		Up to SA	
			requirements for durable supply acquisitions			

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Meetings and Conferences	28 a (1)	64	Travel and registration fees for attending	YES;		
			meetings and conferences devoted solely to the	however, SA		
			CACFP	may waive		
	28 a (2)	64	Prorated share of travel and registration fees		YES	
			when CACFP is only a portion of a larger child			
			and adult care-related agenda			
Membership, Subscriptions	29 a (4)	65	Costs of public and not-for-profit institution			YES
and Professional Organization			memberships in civic or community			
Activities			organizations	_		
Participant Training and Other	30 a (1)	66	Training-administrative costs (NOTE: see	YES		
Participant Support Costs	00 (0)		section for a list of these costs.)			
	30 a (2)	66	Training-operating costs (NOTE: see section for a list of these costs.)	YES		
	30 a (3)	67	Facility appeal costs (NOTE: see section for more information.)	YES		
Proposal Costs	32	67	Costs of preparing proposals on potential FNS Child Nutrition Program grants		YES	
Publication, Printing and Reproduction	33	68	All allowable costs	YES		
Purchased Services – Other	34 a	68	Arms-length transactions for the maintenance,	YES		
	(1)(a)		repair or upkeep of administrative and food			
			service equipment that neither adds to its value			
			nor prolongs its intended life			
	34 a	69	Costs of utilities, purchased security and	YES		
	(1)(b)		janitorial service, etc., not included in space or			
			labor compensation costs			

					Specific Prior	
				Prior	Written	FNSRO
Topic or Cost	Section	Page #	Description	Approval	Approval	Approval
	34 a (2)	69	All less-than-arms length transactions involving		YES	
			maintenance and service repair contracts on			
			Program equipment; and all other purchased			
			service costs needed for Program operation			
Rental Costs	36 d	73	Special lease arrangements – capital leases,		YES	
			sale-with-lease-back leases, less-than-arms-			
			length transactions involving space/building			
			rental, and lease with option-to-purchase			
			(NOTE: see section for more information.)			
			These also require special consideration.			