Per FNS Instruction 796-2 Rev. 3

Operating Costs are limited to the institution’s allowable expenses of serving meals to eligible participants in eligible child and adult centers.

Examples of operating costs are:

1. Food
2. Food service labor
3. Nonfood supplies
4. Food Service Equipment

Administrative Costs are limited to the institution’s allowable expenses for planning, organizing and managing a program.

Examples of administrative costs include salaries, wages, fringe benefits, etc. to accomplish the following:

1. Reviewing and submitting facility applications to the State agency for program participation approval.
2. Reviewing and approving income eligibility statements.
3. Providing nutrition education to food service staff
4. Providing Program training for institution staff and facilities
5. Conducting CACFP monitoring and training visits to sponsored facilities.