Exhibit I

Costs Requiring Additional Approvals:

Items Requiring Prior Approval, Specific Prior Written Approval, and FNSRO Approval
(All Sections refer to VIII, I)

Topic or Cost	*Section*	Page #	Description	Prior Approval	Specific Prior Written SA Approval	Specific Prior Written FNSRO Approval
Advertising & Public Relations Costs	3 a (2)	19	Public relation costs for pamphlets, news releases and other information services	YES		
Communications	8 a (1)	21	Cellular phones and pagers owned or leased by the institution – SAs must impose specific prior written approval		YES	
Contributions & Donation Costs	10 a	22	Costs required to make goods or services donated to the institution usable for the Program		YES	
DCH Licensing Standards Costs	12 a (1,2 & 3)	26	Supplies such as smoke detectors & fire extinguishers; minor alterations such as adding handrails; and the costs of fire & safety inspections & licensing fees that are required to permit an income eligible day care home to meet licensing approval standards		YES	
Depreciation and Use Allowance	13 b	28	All space and facility depreciation methods other than 30-year straight line or method used and accepted for Federal income tax reporting purposes		YES	

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	13 a (1)	28	For publicly owned buildings, the amount assigned as the acquisition cost		YES	
	13 d(1)(a)	29	All equipment depreciation methods other than 15-year straight line depreciation or method used and accepted for Federal income tax reporting purposes		YES	
	13 d (1)(c)	30	Unknown acquisition cost		YES	
Employee Morale, Health, & Welfare Costs & Credits	14	32	All costs in this category		YES	
Expensing Equipment and Other Property	16 a	34	The Program's share of the cost for most equipment and improvements can be directly expensed (NOTE: See item 16 b for unallowable costs.)		YES	
Facilities & Space Costs	17 a (3)	38	The costs for rearrangement & alterations to facilities owned by the institution that are necessary for efficient and effective Program operations but do not result in capital improvements (NOTE: See 17 b for unallowable costs.)		YES	
Insurance	21 a (2)(a)	37	Costs of other insurance, not required by the 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 practices		YES	

Topic or Cost	*Section*	Page #	Description	Prior Approval	Specific Prior Written Approval	Specific Prior Written FNSRO Approval
	21 a (2) (b)	37	Costs of insurance or contributions to any self insurance reserve covering the risk, loss, or damage to Federal Government property to the extent that the institution is liable for such loss or damage		YES	
	21 a (2) (c)	37	Cost of directors and officers insurance provided that the insurance policy actually provides liability coverage related to the CACFP and, if the policy also provides coverage for non-CACFP liability, the CACFP share of the cost is properly allocated		YES	
	21 a (2) (d)	37	Contributions to a reserve for self insurance to the extent that the reserve meets State 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		YES	
Interest, Fundraising, & Other Financial Costs	22 a (1) (a) i	38	Stop payment charges for facility advance and reimbursement payments and other Program disbursements, whether by check or EFT		YES	
	22 a (1) (a) ii	38	Program account reconciliation and analysis fees, including the allocated share of fees charged for commingled accounts		YES	

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	22 a (2)	38	Interest incurred after 10/1/98, for nonprofit 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.)		YES	
	22 c (1)	40	Arms-length transactions involving loans or financial transactions (NOTE: See section on information required when requesting specific prior written approval.)		YES	
	22 c (2)	40	Less-than-arms-length transactions involving loans or financial transactions (NOTE: See section on information needed when requesting specific prior written approval.)		YES	YES
Labor Costs	23 d (1)	48	Compensation to members of nonprofit institutions, trustees, directors, associates, officers or the immediate families thereof		YES	
	23 d (2)	48	Stipends to compensate board members for the costs of attending corporate meetings when Program business is conducted		YES	

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	23 d (3)	48	Any change to an institution's compensation policy that results in a substantial increase in the institution's level of compensation to an individual or all employees		YES	
	VI D 3	7	Excess funds from an institution's nonprofit food service account used for increases in salaries or fringe benefit costs to improve food service operations, principally for the benefit of the participants.		YES	
Overtime, Holiday Pay, and Compensatory Leave	23 h	50	Payment of overtime, holiday pay for work performed on a non-work holiday and compensatory leave (NOTE: See section regarding exceptions.)		YES	
	23 i	51	Incentive payments and awards (except for awards of minimal value, see item 23 i(6)).		YES	
Severance Pay	23 j	52	Severance pay when it does not constitute excess compensation and is required by law, written employer/employee agreement, written policies of the institution, or the terms of a negotiated written labor relations agreement		YES	
	23 k (11)	55	Amendments or modification to approved deferral plans		YES	
Legal Expenses & Other Professional Services	24 a (1)	56	The sponsoring organization's cost to pursue administrative and judicial recovery of funds due from sponsored facilities		YES	

Topic or Cost	*Section*	Page #	Description	Prior Approval	Specific Prior Written Approval	Specific Prior Written FNSRO Approval
	24 a (2)	56	The institution's costs for services performed by individuals who are not officers, employees or members of the institution (NOTE: See section for additional information.)		YES	
Management Studies	26 a	58	The cost of studies directly related to the Program that are performed by entities other than the institution itself		YES	
Materials & Supplies	27	58	SAs may establish specific prior written approval requirements for durable supply acquisitions		SA decision	
Meetings & Conferences	28 a (1)	59	Travel & registration fees for attending meetings and conferences devoted solely to the CACFP	YES		
	28 a (2)	59	allocated share of travel & registration fees when CACFP is only a portion of a larger child and adult care-related agenda		YES	
Membership, Subscriptions, & Professional Organization Activities	29 a (4)	60	Costs of public and not for profit institution memberships in civic or community organizations			YES
Participant Training & Other Participant Support Costs	30 a (1)	61	Training-administrative costs (NOTE: See section for a list of these costs.)	YES		

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	30 a (2)	62	Training-operating costs (NOTE: See section for a list of these costs.)	YES		
	30 a (3)	62	Facility appeal costs (NOTE: See section for more information.)	YES		
Proposal Costs	32	64	Costs of preparing proposals on potential FNS Child Nutrition Programs grants		YES	
Publication, Printing, & Reproduction	33	64	All allowable costs	YES		
Purchased Services – Other	34 a (1) (a)	65	Arms-length transactions for the maintenance, repair or upkeep of administrative and food service equipment that neither adds to its permanent value nor prolongs its intended life	YES		
	34 a (1) (b)	65	Costs of utilities, purchased security and janitorial service, etc., not included in space or labor compensation costs	YES		
	34 a (2)	65	All less-than-arms-length transactions; maintenance and service repair contracts on Program equipment; and all other purchased service costs needed for Program operation		YES	
Rental Costs	36 d	68	Special lease arrangements – capital leases, 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.		YES	