Related Party – Less Than Arm’s Length Transaction Disclosure Form

A related party is a person, place, or thing related to or closely held by another person, place, or thing. A transaction between the two is a less than arm’s length transaction. Federal regulations require that related party transactions be disclosed when federal funds are planned for the execution of such transactions. Failure to disclose these relationships inhibits the State agency’s ability to make informed decisions regarding the allowability of the costs. According to SFSP Application Instruction Booklet this will result in the disallowance of the cost and may subject the institution, its principals, employees, consultants, or others to the administrative and legal remedies available to the State agency and FNS.

This form must be used to disclose all transactions with related parties and accompanied with the [Specific Prior Written Approval form](http://decal.ga.gov/documents/attachments/SpecWritPriorAppReq.doc). **Load both forms in ATLAS under the “Checklist Summary” using the paper clip for the category of costs, disclosed in your budget.** Ensure all information is correct prior to uploading.

In the following section, name all principals of the organization, who have relationships with a person, business, and/or facility who will be paid by the named organization, with SFSP and/or CACFP funds. **Leaders are considered those with organizational decision making and/or financial authority.** Use additional lines as needed. Define the title, initial, and name the principal party. Disclose other identifying information that would clarify the relationship and inherent financial interest.

**Principals**

**Delegated Principal (DP) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Board Chairperson (BC) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Board Member (BM1) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Board Member (BM2) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Board Member (BM3) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

*Title (Initials) Name*

*\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

*Title (Initials) Name*

*\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*

Title (Initials) Name

When personnel, facilities, or contracts, are planned to be paid with SFSP meal reimbursement **AND** a financial or personal interest exist, with any of the **above named**,complete the ***Related Party – Less Than Arm’s Length Transaction Disclosure Form*** using the following additional instructions.

1. In Cost Category/Budget Line-Item column**,** list the **Cost Category** where the SFSP/CACFP cost will be projected.
2. In the second column name the **Person(s)**, **Place (Address)** or **Thing** that will be included in that cost category. List people or companies by **Name** and **Function**. List facilities by **Address** and **Usage**.
3. Link the person/place/thing in column 2, with the **Principal** named above, using the initial to the left of the named.
4. Identify the **Relationship** between the person, place, or thing and the principal.
5. Include the total **Projected Cost** for the period. ***(Do NOT*** *allocate for CACFP/SFSP)*

**An example of a completed form follows:**

Related Party – Less Than Arm’s Length Transaction Disclosure Form

### **Organization Name *(ON)*** Early Start Early Learning, LLC **Agreement Number** X0334

**Principals**

**Delegated Principal *(DP)*** Bright Young

**Principals for Example:**

(BM1) Bright Startlings

(DP) Demont Caring

(BC) Ledger Balance

(HF) Theo Ands

**Board Chairperson *(BC)***  Ledger Balance

**Board Member *(BM1****)* Earl Startlings

*EXAMPLE*

**Board Member *(BM2)***

**Board Member *(BM3)***

**Principal of Holding Firm (HF) \_\_\_\_**Theo Ands\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title (Initials) Name

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title (Initials) Name

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Cost Category/Budget Line Item** | **Person, Place (Address), or Thing/Function or Usage** | **Principal**  | **Relationship** | **PROJECTED COST (ANNUAL)** | **Internal Use Only** |
| Food Service Labor and Benefits | Earlie Startlings/Cook |  BMI |  Spouse/Wife | $35,000 |  |
| Space Cost/Rental/Lease | 123 Learning Boulevard Atlanta, GA/Childcare Facility  |  DP |  Owner of Property | $2,000 |  |
| Contracted/Professional Services | The CPC Firm, LLC/Accountant |  BC | Partner in CPA Firm | $5,000 |  |
| Salaries and Benefits | Theadora Ands/ Program Contact |  HF | Daughter  | $40,000 |  |
|   |  |   |   |   |  |
|   |  |   |   |   |  |

|  |
| --- |
| I certify that the information I have provided above is complete, true and correct. \_\_\_Demont Caring\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_Owner/Delegated Principal\_\_ September 30, 2015  *Signature Title Date*  |

**Related Party – Less Than Arm’s Length Transaction Disclosure Form**

### **Organization Name *(ON)***\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ **Agreement Number**\_\_\_\_\_\_\_\_\_\_\_\_\_\_

### **Principals**

**Delegated Principal (DP) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­**

**Board Chairperson (BC) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Board Member (BM1) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Board Member (BM2) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Board Member (BM3) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

*Title (Initials) Name*

*\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

*Title (Initials) Name*

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Cost Category/Budget Line Item** | **Person, Place, Thing/Function or Usage** | **Principal**  | **Relationship** | **PROJECTED COST (ANNUAL)** | **Internal Use Only** |
|   |  |   |   |   |   |
|   |  |   |   |   |   |
|   |  |   |   |   |   |
|   |  |   |   |   |   |
|   |  |   |   |   |   |
|   |  |   |   |   |   |

###

|  |
| --- |
| I certify that the information I have provided above is complete, true and correct. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Signature Title Date |

Mail to: Bright from the Start: Department of Early Care and Learning Email or fax to: Nutrition Budget Team

Attn: Nutrition Budget Supervisor nutritionbudget@decal.ga.gov

2 Martin Luther King Jr. Drive SW - 754 East Tower, Suite 754 Atlanta, GA 30334 Fax: 770-342-3156

 ***FOR DECAL USE ONLY:***

DECAL Official: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_