



STATE OF CONNECTICUT  
DEPARTMENT OF EDUCATION



**TO:** Sponsors of the National School Lunch and School Breakfast Programs

**FROM:** John Frassinelli, Chief  
Bureau of Health/Nutrition, Family Services and Adult Education

**DATE:** September 15, 2014

**SUBJECT:** **Operational Memorandum #55-14**  
Report of Annual Revenue and Cost Expenditures Report Due: October 31, 2014

**I. Report of Annual Revenue and Cost Expenditures**

Federal Regulations require a review of the net cash resources of Child Nutrition Programs (CNPs) to ensure continued non-profit status. To ensure that the program income and expenditures fall within the allowable three months operating costs, all programs (including Residential Child Care Institutions [RCCIs]) must supply the information as indicated on the attached Sample Form and Instructions.

Sponsors are not required to use this specific form. An audited annual (2013-14 school year) report for the Food Service Department may be submitted instead. If you choose to submit your school district or RCCI Food Service Department's annual financial statement, the following items must be included and highlighted:

1. Total revenue for the CNP (if this total reflects your federal and state reimbursements, highlight these separately).
2. Total expenses for the CNP (include all Board of Education subsidies).
3. Accounts payable as of June 30, 2014.
4. Accounts receivable as of June 30, 2014.
5. Ending inventories (for both government commodities at the storage and processing rate and regular purchased food, indicate if combined) as of June 30, 2014.
6. Ending cash balance as of June 30, 2014.

Failure to highlight this information may cause a delay in the processing of the report.

*The Federal School Meal Programs' **New Administrative Review Process** includes a review of Resource Management. One element of Resource Management is Maintenance of the Nonprofit School Food Service Account. School Food Authorities are required to complete a process to measure their compliance with the regulation to limit net cash resources to a level at or below three months' average expenditure.*

Operational Memorandum #55-14

September 15, 2014

Page 2

The financial information must be submitted no later than October 31, 2014. Please forward this information to: Maria Santini, Child Nutrition Programs, 25 Industrial Park Road, Middletown, CT 06457. Please note that only authorized signatures are acceptable on this report. School food service directors are not considered to be authorized representatives. Check your school district's Sponsor Nutrition Application Information page in your Online Agreement to determine who the authorized representatives are in your school district.

Questions may be directed to Fionnuala Brown at 860-807-2129 or [fionnuala.brown@ct.gov](mailto:fionnuala.brown@ct.gov).

JF:fb

Attachments: (2)

Important: This is a numbered Operational Memorandum that contains important program information. Please read carefully and retain in a binder for your future reference. Operational Memoranda are also posted on the Child Nutrition Web site at <http://www.sde.ct.gov/sde/cwp/view.asp?a=2626&q=320676> .