



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: December 31, 2015

SUBJECT: Operational Memorandum No. 2-16
Report of Annual Revenue and Cost Expenditures Report Due: February 1, 2016

I. Report of Annual Revenue and Cost Expenditures

Federal Regulations require a review of the net cash resources of Child Nutrition Programs (CNP) 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 (2014-15 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, 2015.
4. Accounts receivable as of June 30, 2015.
5. Ending inventories (for both government commodities at the storage and processing rate and regular purchased food, indicate if combined) as of June 30, 2015.
6. Ending cash balance as of June 30, 2015.

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.*

The financial information must be submitted no later than February 1, 2016. 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.

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](#).

ANNUAL REVENUE AND COST EXPENDITURE REPORT

SCHOOL YEAR 2014-2015

DUE BACK: **February 1, 2016**

DO NOT FAX. SEND A SIGNED ORIGINAL ONLY

Sample Form

School Food Authority:

Agreement Number:

Prepared by (Name, Title, & Phone No.):

Date Prepared:

Phone No:

Email Address:

1. REVENUE ~ Total All Programs (NSLP, SBP, SMP, After School Snack, Seamless Summer Program & a La Carte)

- A. Cash From Daily Sales _____
- B. Other Local Revenue _____
- C. BOE Subsidies to Food Service Dept. _____
- D. Total Revenue _____

2. COSTS ~ Total All Programs (Include costs of BOE subsidies to reflect the cost of operating your programs)

- A. Purchased Food Used _____
- B. Direct Labor _____
- C. Supplies Used & Purchased Services _____
- D. Equipment Depreciation _____
- E. Reported Indirect Costs _____
(Only applicable if issued an Indirect by the SDE for the 2012-2013 school year.)
- F. BOE Subsidies to the FS Dept. _____
- G. Total Costs _____

3. COMPUTED OPERATING POSITION

- A. Ending Cash Balance _____
- B. Accounts Receivable _____
- C. Value of Inventories on Hand _____
- D. Total of 3A + 3B + 3C _____
- E. Minus Accounts Payable _____
- F. Computed Operating Position (3D – 3E) _____

(2G -Total Cost) \$ _____ / (No. of Operating Months) _____ = \$ _____
(Monthly Average Cost) X 3 Months = \$ _____ *(Compare this amount to 3F to determine if the requirement to limit net cash resources to a level at or below three months' average expenditures is met.)*

Participated in Seamless Summer Food Program

I certify that the information supplied above is correct to the best of my knowledge, that records are available to support this report. I understand that this information is being given in connection with the receipt of federal funds and that deliberate misrepresentation may subject the applicant to prosecution under applicable state and federal statutes.

Signature of **Authorized** Representative (*Not the Food Service Director*) Title

Date

SAMPLE ANNUAL REVENUE AND COST EXPENDITURE REPORT FORM INSTRUCTIONS

School Food Authority – Enter the town name or, if an individual institution, the school name.

Agreement Number – Enter the number assigned by the State found on your Online Site Information Sheet.

The “**Prepared By**” section should include the name, title and telephone number of the person completing the form. Also include the date that the form is prepared.

1. **Revenue** (This includes the total revenue for all NSLP, SBP, SMP, Seamless Summer, After School Snack and A la Carte Sales.)
 - A. **Cash from Daily Sales** – Total dollars cashiers take in for paying students and adult meals. Also include total dollars received for a la carte sales.
 - B. **Other Local Revenue** – Cash received from catering and other local sources. Interest on bank accounts should be included here. State Matching funds and Federal reimbursements should NOT be included here.
 - C. **BOE Subsidies** – This refers to any monies that the Board of Education uses to subsidize the school food service program, e.g., food service director’s salary, health benefits, equipment purchases, etc. This also includes any in-kind services - any services provided by the BOE but not charged to the school food service account.
 - D. **Total Revenue** – Add A + B + C and record in D.
2. **Costs** (This includes the total expenses for all NSLP, SBP, SMP, Seamless Summer, After School Snack and A la Carte Sales. Also include the costs of the BOE subsidies to reflect the cost of operating your program.)
 - A. **Purchased Food Used** – The total cost of all foods used (including government commodities at the storage and processing rate).
 - B. **Direct Labor** – All food service employee salaries including the Food Service Director, secretary, cashiers, truck drivers, etc. Also include any fringe benefits (FICA, Workmen’s Compensation, Health Insurance, Sick Leave, Uniforms, Physicals, etc.)
 - C. **Supplies Used & Purchased Services** – The total cost of all supplies used (paper, cleaning, expendable equipment under \$500.00, and delivery charge of government commodities. Purchased Services refers to items such as food service management and administrative fees, armored services, exterminators, etc.)
 - D. **Equipment Depreciation** – If you are not tracking equipment depreciation, place a “0”. If you do track equipment depreciation, indicate the dollar amount.
 - E. **Reported Indirect Costs** – If your School District has applied for an Indirect Rate with the State Department of Education, add 2A, 2B, 2C, and 2D and multiply by the indirect percentage rate. **If your school district has not applied for an Indirect Rate, then put “0.”**
 - F. **BOE Subsidies** – Include the cost of BOE subsidies to reflect the cost of operating your program. This figure should equal the BOE subsidy amount listed in 1C in the Revenue Section. *Note: These figures should NOT be represented in other expense areas.*
 - G. **Total Costs** - Add 2A through 2F and record the total in 2G.
3. **Computed Operating Position**
 - A. **Ending Cash Balance** – The cash balance as of June 30, 2015, in the bank including checking, savings (all forms), petty cash, and posted interest.
 - B. **Account Receivable** – All Federal reimbursements due, money owed from students, adults, etc.
 - C. **Value of Inventories on Hand** – Ending inventory as of June 30, 2015 of purchased food, government commodities (at the storage and processing rate) and supplies.
 - D. **Total of 3A + 3B + 3C**
 - E. **Accounts payable** – Any unpaid bills after June 30, 2015.
 - F. **Computed Operating Position** – Take 3E and subtract from 3D. Record the difference in 3F. (Indicate if the figure is a negative balance.)

Note: The signature and title of an **Authorized Representative** (**not** the Food Service Director) is the person listed as the Authorized Representative on the Sponsor Nutrition Application Information page on your Online Agreement.

ANNUAL REVENUE AND COST EXPENDITURE REPORT

SCHOOL YEAR 2014-2015

DUE BACK: February 1, 2016

DO NOT FAX. SEND A SIGNED ORIGINAL ONLY

Sample Form

School Food Authority:	Agreement Number:
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Prepared by (Name, Title, & Phone No.):

Date Prepared:	Phone No:	Email Address:
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