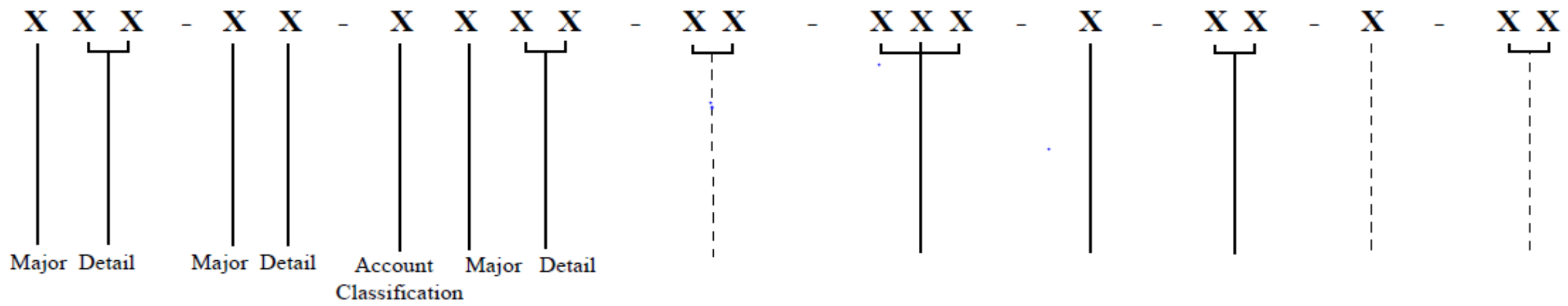




Financial Report 101

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Fund Codes
(1XX - 8XX)

Account Groups
(9XX)

Function Codes
(11 - 99)

Object Codes:
 Assets (1XXX)
 Liabilities (2XXX)
 Fund Equity (3XXX)
 Clearing Accounts (4XXX)
 Revenues/Income (5XXX)
 Expenditures/Expenses (6XXX)
 Other Resources/Non-Operating Revenues/Residual Equity Transfers In (7XXX)
 Other Uses/Non-Operating Expenses/Residual Equity Transfers Out (8XXX)

Local Option Codes 1 and 2
(XX)

Organization Codes
(001 - 999)

Fiscal Year Code
(0 - 9)

Program Intent Codes
(11 - 99)

Local Option Code 3
(X)

Local Option Codes 4 and 5
(XX)

————— Indicates a mandatory code for State reporting purposes

----- Indicates a code that may be used at local option



Financial Formula

$$\text{Revenue} - \text{Expense} = \text{Profit}$$

Synonyms?

Financial Formula

A School Industry Standard *

40% of Revenues for Food Cost

40% of Revenues for Labor Cost

20% of Revenues for Other/Profit

*School Food Service Management, D Pannell-Martin



What to Include in this Report

Should cover

all revenue and expenses

for the Child Nutrition Programs



What to Include in this Report

Will include summer feeding program and Child and Adult Care Food Program, catering, a la carte, adult meals, concessions, etc.

What to Include in this Report, cont

This report must include
all revenues and expenses
attributed to and processed through
the Child Nutrition Program account(s)



What **NOT** to Include in this Report

This report should **NOT** include non-monetary revenue and expenses such as the value of the USDA Foods received during the prior fiscal year

Opening Balance

Question #1

AKA

- Profit
- Operating Balance
- Fund Balance
- Extra Money

Opening Balance

Question #1

- Cannot be a negative number- Could be zero
 - This number is EDITABLE
- If a positive number, there should be a value in 2e, interest earned

Revenue

Question #2

2a. Program Revenue

Cash from reimb. meals

2b. State Reimbursement

Object Code 5829

2c. Federal Reimbursement

Object Code 592X

2d. Non Program Revenue

2e. Interest Earned

Revenue

Question #2

Program Revenues

- Any monies received from STUDENTS for reimbursable meals

Nonprogram Revenues

- A La Carte Sales
- Adult Meals
- Catering
- Any other sales

Calculating Nonprogram Revenue & Expenditures

	Yearly	Item	Item	Total	Total
Item Name	Total	Sells for	Cost	Revenue	Cost
Juice Boxes	243	\$0.75	\$0.21	\$182.25	\$51.03
Water	57	\$1.00	\$0.16	\$57.00	\$9.12
Cereal	86	\$0.55	\$0.21	\$47.30	\$18.06
Breakfast Juice	261	\$0.45	\$0.16	\$117.45	\$41.76
Milk	329	\$0.60	\$0.31	\$197.40	\$101.99
Breakfast Entrée	45	\$0.50	\$0.34	\$22.50	\$15.30
Lunch Entrée	873	\$2.00	\$0.89	\$1,746.00	\$776.97
Roll	80	\$0.50	\$0.12	\$40.00	\$9.60
Fruit/Veg	40	\$0.50	\$0.28	\$20.00	\$11.20
Entrée	543	\$1.50	\$0.82	\$814.50	\$445.26
Ice Cream	761	\$0.75	\$0.36	\$570.75	\$273.96
Adult Meals	1424	\$3.50	\$1.87	\$4,984.00	\$2,662.88
Grand Totals				\$8,799.15	\$4,417.13

Calculating Nonprogram Revenue & Expenditures

- Program Expense + Nonprogram Expenses = Total Expenses
- Program Revenue + Nonprogram Revenue = Total Revenue

- $A + B = C$

- $C - B = A$

Calculating Nonprogram Revenue & Expenditures

- Total Expenses - Nonprogram Expenses = Program Expense
- Total Revenues - Nonprogram Revenues = Program Revenue

- C - B = A

Expenses

Question #3

3a. Program Food

3b. Non Program Food

3c. Salaries

3d. Employee Benefits

3e. Purchased Services

3f. Equipment Purchased

3g. Supplies\Miscellaneous

3h. Indirect Costs

3i. Utilities and Other

Expenses

Question #2

Program Expenses

- Any monies spent on STUDENT meals that are reimbursable

Nonprogram Expenses

- A La Carte Sales
- Adult Meals
- Catering

Expenses

Question #3

$$3j. \text{ Total Expenditures} = 3(a+b+c+d+e+f+g+h+i)$$

This number will auto populate

Closing Balance

Question #4

Closing Balance

= Opening Balance + Total Revenues – Total Expenses

= Question #1 + 2f – 3j

This number will auto populate

Gain or Loss

Question #5

This is the YEARLY calculated amount

$$\text{Gain or Loss} = \text{Revenue} - \text{Expenses}$$

$$\text{Gain or Loss} = 2f - 3j$$

This number will auto populate

Amount of General Revenue Needed (required if Loss)

Should be Zero if no loss for the year

If Question #1 has a greater number than Question #5, **no input on this line**

If Question #1 has Zero and Question #5 is negative then General Revenue **must** supplement CN fund this amount

Total Number of Operating Months

Question #6a

- Partial months count as a month
- If the CE is operating either of the summer feeding programs, then those months should be included as well

For example, the CE started serving August 26; therefore, August is counted as a month of service

Three Month Average Operating Cost

Question #6b

$$\begin{aligned} \text{Three Month Average Operating Cost} \\ = (3j/6a)*3 \end{aligned}$$

This number will auto populate



Three Month Average Operating Cost

Nonprofit Status

To maintain the nonprofit status required for the SNP, the fund balance of the SNP account **must not exceed** three month's average expenditures at any time

Excess Balance

Question #7

= Closing Balance - Three months average operating cost

= Question #4 - 6b

This number will auto populate

Excess Balance

- District MUST complete Plan for Reducing an Excessive Operating Fund Balance
- Districts SHOULD be monitoring this before now
- Good problem to have...but not repeatedly

Resolving an Excessive Fund Balance

- The CE must immediately take steps to reduce its net cash resources
- The CE must have an acceptable plan for using surplus net cash resources

Resolving an Excessive Fund Balance, cont

- Funds may be spent on improving the quality of food served or purchasing needed supplies, services, labor or equipment
- The plan must be submitted to the Texas Department of Agriculture (TDA) on the Plan for Reducing an Excessive Operating Fund Balance

Resolving an Excessive Fund Balance, cont

Special Guidance, Excessive Fund Balance

- Allowing net cash resources to build up in the food service account for an extended period to save for a future project is unallowable
- If the proposed expenditure project is a construction project, construction projects are typically not allowable

Indirect Cost Rate

Question #8

Record the indirect cost rate the CE has in place to calculate indirect cost

Please note, there is no edit check between Item 8 and Item 3h because of the wide array of options for applying indirect rate

Bad Debt Amount

Question # 9

- Bad debt is defined as debts which have been determined to be uncollectable

Outstanding Student Debt

- Debt that is still considered collectable
- Can only carry over a two year period

Bad Debt Amount

Question # 9

- Have you reimbursed Child Nutrition?
 - Yes or No radio button
- If an amount is in Question #9, radio button Yes should be checked

Questions?????

Assistance available in English and Spanish. Please call 877-TEX-MEAL (877-839-6325) for help.

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- 1) **Mail:** U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410
- 2) **Fax:** [\(202\) 690-7442](tel:2026907442) or 3) **Email:** program.intake@usda.gov.

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