

Nonprofit School Food Service Account and Allowable Costs

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Public Instruction
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ECB? How Did We Get Here?

- **SCA funds in SY 2021-22 (new allocation in SY 2022-23)**
- **Two years of SSO:**
 - Through 6/30/2022 (extended to beginning of SY 2022-23)
 - No charge student meals; convenient service models, high ADP
 - Waivers for non-congregate, service time, parent/guardian pickup
 - SFSP, higher reimbursement rate

NPSFSA is Protected



Nonprofit School Food Service Account


- **Protected Fund with 2 goals:**
 - Safeguard school food service assets and ensure they are only used for authorized purposes, and
 - Ensure school food service operates on a nonprofit basis.
- **Funds in the NSFSA spent solely on school meal programs and used only for the operation or improvement of the school meal programs.**

Allowable Costs to NPSFSA


- Only for the operation of and/or improvement of the CNP
- Must be allocable, reasonable and necessary



Excess Cash Balance

- SFAs are required to maintain a nonprofit school food service
 - SFA shall limit net cash resources to an amount that does not exceed 3 months average expenditures
 - More than 3 months expenditures defines SFA as being in Excess Cash Balance
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Known Ways to Utilize ECB

- **Improve quality and variety of foods offered**
 - **Provide reduced-price eligible students with free meals
(See USDA Policy Memorandum SP 17-2014)**
 - **Increase marketing of the school meal program to increase participation**
 - **Offer Universal Free Breakfast**
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Known Ways to Utilize ECB, cont'd

- Determine if additional or updated kitchen equipment is needed
- Provide additional training to staff, which can include sending staff to conferences on school nutrition related topics
- Offer more local products, start a school garden, or participate in a Farm to School

Equipment

- Under \$5,000 or SFA's capitalization threshold or
- On [PREAPPROVED EQUIPMENT LIST](#)
- Not on List and cost > SFA's capitalization threshold
[PI-6206 Equipment Preapproval Request Form](#)
- Procurement procedures must be followed.
- Equipment NSF or ANSI per Wisconsin Food Code.

Pre-Approved List

Carts/Cabinets

- Can Dispenser Rack
- Heated Transport Cart
- Holding Cabinet
- Insulated Transport Cart
- Proofing Cabinet
- Refrigerated Transport Cart
- Sheet Pan Lowerator
- Storage Rack
- Trash Cart
- Tray Dispenser
- Utility Cart

Cleanup

- Dish Machine
- Dish Table
- Disposer
- Equipment to Handle Recyclables
- Pot and Pan Machine
- Pot and Pan Sink

Cooking (Continued)

- Toaster
- Water Descaler System for Steamer
- Air Fryer

Preparation

- Blast Chiller
- Blender
- Bread Slicer
- Buffalo Chopper
- Cold Sandwich Station
- Countertop Mixer
- Dough Divider/Bun Cutter
- Dough Impinger
- Dough Roller/Sheeter
- Floor Mixer
- Food Processor
- Potato Peeler
- Produce Soak Sink
- Slicer

Building Construction Costs

Building Construction Costs 7 CFR 210.14(a) and 220.7(e)

- Revenue shall not be used to purchase land, buildings, or to construct buildings
- Program funds are not to construct school related facilities
- School kitchen capital infrastructure costs should be paid by general or capital school district improvement funds, just as the school building and its contents

Some Common Project Requests

- Internal food service doors, including roll-up door
- Painting in kitchen or food service areas, including murals
- Food service delivery truck
- Venting, plumbing, and electrical for food service equipment - *Only connection costs to ensure function of food service equipment. HVAC, plumbing, and electrical are general funds costs.
- Food service grease trap
- Food service dock lift gate

Common Project Requests, continued

- Food service dock forklift or hand truck
- Alternate food service location (e.g., food truck, café, etc.)
*only if reimbursable meals offered, the site is an extension of food service, and non-program food sales meet Smart Snacks standards.
- Flooring
- Ceiling Tiles
- Portable AC units - *only for food service area
- Rental of offsite kitchens during a remodel

Unallowable Cost Examples

- Security cameras
- Outdoor building for dry storage space
- Outdoor dock space (pavement, resurfacing, dock door)
- Exterior door

Financial Reporting



Fund 50 (food service fund)

Annual Financial Report

Maintaining Nonprofit Status

Nonprogram Food Revenue Rule

Paid Lunch Equity

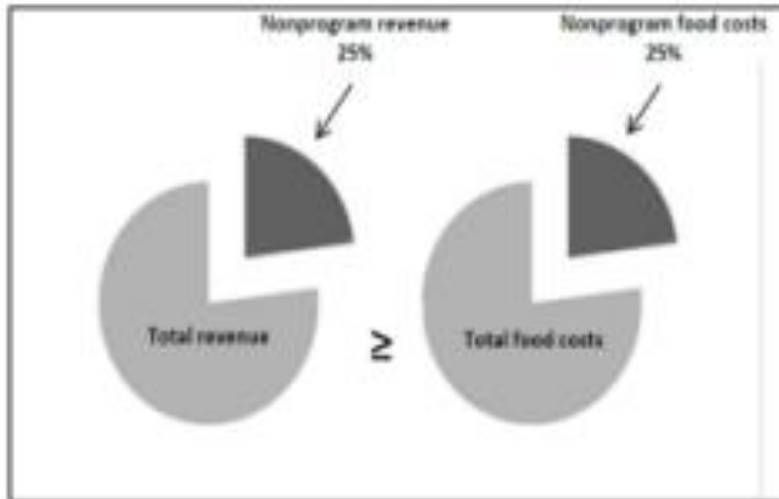
Annual Financial Report (AFR)

- Annual Financial Report documents all revenues and expenses, allocated by child nutrition program, from 7/1-6/30
- Verifies the SFA's nonprofit status
- Due annually by 8/31

Nonprogram Foods Revenue Rule

Annual completion of Nonprogram Foods Revenue Tool -

$$\frac{\text{Nonprogram Food Revenue } 3}{(\text{Nonprogram Revenue} + \text{Program Revenue}) } 4 \geq \frac{\text{Nonprogram Food Costs } 1}{(\text{Nonprogram Costs} + \text{Reimbursable Meal Costs}) } 2$$



Cost for Reimbursable Meal Food	\$ 1,500
Cost of Nonprogram Food ¹	\$ 500
Total Food Costs ²	\$ 2,000
Total Nonprogram Food Revenue ³	\$ 1,000
Total Revenue ⁴	\$ 4,000
Minimum portion of revenue from nonprogram funds	25%
Minimum Revenue Required from the Sale of Nonprogram Foods	\$ 1,000
Additional Revenue Needed to Comply	\$-

Paid Lunch Equity – HHFKA 2010

- **Student paid meal price must (on average) equal the difference between the free lunch reimbursement and the paid lunch reimbursement. The free and reduced federal reimbursement must not subsidize the paid reimbursement.**

Questions?



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