

FINANCIAL MANAGEMENT FOR GEORGIA LOCAL UNITS OF ADMINISTRATION

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1	January 2010	2	School Nutrition Program Accounting Procedures

INTRODUCTION

This chapter provides fiscal personnel in the central office who work in the School Nutrition Program with detailed instructions on accounting and reporting of these funds. This information was previously included in the Recordkeeping Guide furnished to each local school system; it has been updated for inclusion in this manual.

In other chapters of this manual, local school systems are referred to as local units of administration. The Quality Basic Education law, in O.C.G.A. 20-2-242, defines local school systems and regional educational service agencies as "local units of administration", abbreviated as LUA. However, for the purpose of this chapter, the LUA will be referred to as the School Food Authority (SFA) as this term designates the LUA for all matters relating to the School Nutrition Program (SNP).

All acronyms are spelled out the first time; thereafter, the acronym is used.

While this chapter relates specifically to the SNP program, the reader is encouraged to consult the entire manual as the other chapters contain information that covers all aspects of financial management and governmental accounting.

In most of the Georgia school districts, the SNP Fund is reported as a Special Revenue Fund, in which revenues and expenditures are recognized on the modified accrual basis of accounting. Revenues should be recognized in the accounting period in which they become measurable and available. The term "measurable" means the amount of revenue is known or can be estimated. The term "available" means that the revenue is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Expenditures should be recognized in the accounting period in which the fund liability is incurred. Some districts elect to treat the SFN as an Enterprise Fund, where revenues are recognized when earned and expenses are recorded when incurred. See Chapter 19 of this manual. For purposes of discussion here, SFN is treated as a Special Revenue Fund.

A subsidiary ledger must be maintained for each school and for the central office operation, using the revenues, expenditures and balance sheet accounts in the Chart of Accounts (see Appendix C) published by the Georgia Department of Education (GADOE). In most computerized accounting systems, this objective is achieved by assigning sub-fund codes to each entity, i.e., 601, 602, etc. On a monthly basis, the subsidiary ledger accounts are combined into a general ledger for the SNP program. The amounts reflected in the accounting records are to be used for all financial reporting.

SCHOOL NUTRITION PROGRAM ACCOUNTING PROCEDURES

Instructions on accounting principles and procedures are provided in alphabetical order, by topic, for the types of transactions which may be expected to occur in the operation of the SNP program. Since electronic reporting is required for the annual financial reports to the GA DOE, it will be necessary for account balances from separate SNP accounting systems or manual records to be entered into the school food authority's (SFA) computer at fiscal year-end before transmitting the financial report to the GA DOE.

ACCOUNTS PAYABLE

Expenditures are to be recorded in the accounting records when they are incurred. Incurred means that the goods and services have been received and will be paid for from current resources. Past due amounts that should be payable from current resources are included in the definition. Invoices should be recorded in the appropriate expenditure accounts when received, or at least weekly. In all instances, invoices must be recorded by the end of the month. The expenditure is offset by an accounts payable credit. In the illustrated journal entries that follow, special revenue fund 601 is used; SFAs would use the account code assigned to the SNP special revenue fund.

<u>Description</u>	<u>Account No.</u>	<u>DR</u>	<u>CR</u>
Supplies	601-9990-3100-61000	\$ 100	
Accounts payable	601-0000-0421		\$ 100

To record purchase of supplies for SNP

When the vendor check is written (either in the current month or in a later month), the accounts payable amount is cleared:

<u>Description</u>	<u>Account No.</u>	<u>DR</u>	<u>CR</u>
Accounts payable	601-0000-0421	\$ 100	
Cash in bank	601-0000-0101		\$ 100

To record payment of supplies invoice

Labor costs, including salaries paid to employees who are not 12-month employees, must be reported as expenditures in the reporting period that the labor costs are incurred. Hourly rates are multiplied by the number of hours worked in the reporting period to which the matching benefits are added. The amount withheld for summer salaries must be set up as a liability in the accounts payable account. It is recommended that an "accounts payable/summer salaries" account be used in lieu of the regular accounts payable account, e.g., 0422. If any account number other than 0421 is used, it will be necessary to roll the account number into 0421 prior to transmitting the year-end financial report to the GADOE. This balance is to be reported each month, along with all other payables, as Total Liabilities on the Form DE0106 Balance Sheet Tab.

By recording and reporting the total labor costs and other expenses incurred each month, the SFA enables the GADOE to allocate monthly expenditures to the meals served in the respective month to develop a more accurate plate cost. This information is also used in monitoring net worth and other aspects of financial management. Detailed instructions for accruing summer salaries are given under the topic "Summer Salaries."

A detailed listing by vendor and amount must be maintained of the accounts payable account; the total of which must agree with the total of the accounts payable account in the general ledger.

ACCOUNTS RECEIVABLE

Revenues which are earned but not received by the end of a month must be accrued. An accounts receivable entry is posted, by school, to record the revenue. The following entry will be required for the month's breakfast and lunch accrued revenue:

<u>Description</u>	<u>Account No.</u>	<u>DR</u>	<u>CR</u>
Intergovernmental accts receivable	601-0000-0141	\$ 500	
SNP Grants, Lunch (All federal funds except breakfast)	601-9990-4510		\$ 350

RECONCILED BANK BALANCE	_____*
BALANCE PER ACCOUNTING RECORDS, (Date)	_____
PLUS INTEREST EARNED	+ _____
LESS BANK CHARGES, ETC.	- _____
ACCOUNTING CORRECTIONS NEEDED (+ or -)	_____
RECONCILED BOOK BALANCE	_____*

*These amounts must be in agreement. Entries should be made to post interest earned and bank charges to the cash account. In addition, any bank corrections needed should also be posted.

It is recommended that the signature or initials of the person reconciling the bank statement, along with the date of the reconciliation, be included in the reconciliation.

CHANGE FUNDS

When a change fund is desired at a school cafeteria, a check is written to the person who will be responsible for the funds with the notation "change fund." For example:

Jane Doe
Change Fund for Pinetree Elementary

The person to whom the check is issued is responsible for the use and safe-keeping of the change fund. The accounting entry to record the check is as follows:

<u>Description</u>	<u>Account No.</u>	<u>DR</u>	<u>CR</u>
Change fund	601-0000-0104	\$ 200	
Cash in bank	601-0000-0101		\$ 200

To record establishment of change fund at Pinetree Elementary

The check is cashed and the change fund is established. The change fund must be kept in a secure locked storage place at all times when not being used for making change. At the end of the fiscal year (June 30) it is necessary to return the cash to the bank account. The accounting entry to record the deposit is as follows:

<u>Description</u>	<u>Account No.</u>	<u>DR</u>	<u>CR</u>
Cash in bank	601-0000-0101	\$ 200	
Change fund	601-0000-0104		\$ 200

To close change fund at Pinetree Elementary

CONTRACTED MEALS

When a SFA provides meals on a contracted basis (such as to Head Start), an invoice should be issued at month-end for the total amount due for the meals. The invoice should be recorded in the accounting records before the books are closed at month end as follows:

<u>Description</u>	<u>Account No.</u>	<u>DR</u>	<u>CR</u>
Accounts receivable	601-0000-0153	\$ 750	
Contracted meals	601-9990-1623		\$ 750

To record billing for contracted meals

When the payment is received from the contracting agency and deposited, it should be recorded as follows:

<u>Description</u>	<u>Account No.</u>	<u>DR</u>	<u>CR</u>
Cash in bank	601-0000-0101	\$ 750	
Accounts receivable	601-0000-0153		\$ 750

To record receipt of contracted meals payment

DAILY CAFETERIA RECEIPTS

Each day, the cafeteria receipts for student income, adult income and supplemental sales income should be verified and recorded by category. The funds should be deposited daily and the deposit slips retained with the income records for documentation, along with the daily cash report. The daily cash receipts should be verified by more than one person (for example, the manager and the cashier).

It is recommended that a weekly form be developed, which lists the daily receipts by account. This form should be submitted to the central office each week, along with copies of deposit slips which verify deposit of the total collections each day. A weekly total by account should be shown and should balance to the sum of the daily totals. The weekly total should be recorded in the accounting records, using the dates in the description of the transaction as follows:

<u>Description</u>	<u>Account No.</u>	<u>DR</u>	<u>CR</u>
Cash in bank	601-0000-0101	\$ 2,315.50	
Student sales - breakfast and lunch progs.	601-9990-1611		\$ 1,408.25

Supplemental sales - breakfast and lunch progs.	601-9990-1621	231.75
Adult sales - breakfast and lunch progs.	601-9990-1622	675.50

**To record deposit of SNP revenue for the week of / mm/dd/yy - mm/yy/dd for
Pinetree Elementary**

When a school has charged meals for students and/or adults, a record should be kept of the charged meals and collections should be made on a regular basis.

FOOD INVENTORIES

To comply with generally accepted accounting principles (GAAP), SFAs should record food inventories on the balance sheet of their financial statements. Revenues and expenditures related to the United States Department of Agriculture (USDA) donated commodities program should also be recorded in the financial statements.

There are two allowable methods to account for inventories under GAAP: the purchases method and the consumption method (See Chapters I-12, I-17 and III-4).

Generally accepted auditing standards (GAAS) usually require the auditor to be present at the time of the physical inventory count and observe the effectiveness of the methods of taking inventory and the measure of reliance placed upon the quantities and physical condition of the inventories. However, proper internal controls can compensate for the auditor's absence when the year-end physical inventory is taken. GAAP require the use of the consumption method at the government-wide level.

PURCHASES METHOD

Under the purchases method, food acquisitions are charged to expenditures when purchased and the amount of actual inventories on hand at the end of the month must be reported on the balance sheet of the financial statements. A count of the items in the food inventories would be taken at month-end and costed, based upon an accepted method of valuation.

<u>Description</u>	<u>Account No.</u>	<u>DR</u>	<u>CR</u>
Inventory for consumption	601-0000-0171	\$ 5,000	
Fund balance-reserved for inventories	601-0000-0751		\$ 5,000

To record value of purchased food inventory at month-end

<u>Description</u>	<u>Account No.</u>	<u>DR</u>	<u>CR</u>
Inventory of USDA commodities	601-0000-0173	\$ 3,000	
Fund balance-reserved for inventories	601-0000-0751		\$ 3,000

To record value of USDA commodities inventory at month-end. At the end of each month, these accounts would be debited or credited to reflect the actual values of inventory on hand. During the FY, as purchased food and USDA commodities are received, the journal entries are:

<u>Description</u>	<u>Account No.</u>	<u>DR</u>	<u>CR</u>
Purchased food	601-9990-3100-6300	\$ 750	
Accounts payable	601-0000-0421		\$ 750
To record purchased food received			
Food Acquisitions - USDA	601-9990-3100-6350	1,250	
Revenue attributable to USDA commodities	601-9990-4900		1,250

To record USDA commodities received

Note – USDA inventory values are usually posted on the GADOE portal by mid-June for the ensuing fiscal year.

Then, based upon a physical inventory at the end of the fiscal year, the food inventories would be entered on the balance sheet of the financial statements by the following entry:

<u>Description</u>	<u>Account No.</u>	<u>DR</u>	<u>CR</u>
Inventory for consumption	601-0000-0171	\$ 5,325	
Fund balance-reserved for inventories	601-0000-0751		\$ 5,325
To reserve value of food inventory at 6/30/XX			
Inventory of USDA commodities	601-0000-0173	2,200	
Fund balance-reserved for inventories	601-0000-0751		2,200
To reserve value of USDA commodities at 6/30/XX			

Note: Under the purchases method, physical inventories would be taken at the end of each month.

These entries would be reversed at the beginning or end of the next FY:

<u>Description</u>	<u>Account No.</u>	<u>DR</u>	<u>CR</u>
Fund balance-reserved for inventories	601-0000-0751	\$ 5,000	
Inventory for consumption	601-0000-0171		\$ 5,000
Fund balance-reserved for inventories	601-0000-0751	3,000	
Inventory of USDA Commodities	601-0000-0173		3,000

CONSUMPTION METHOD

When the consumption method is used, purchased food and USDA commodities are recorded in the Inventory for consumption account in the general ledger at the time of the purchase:

<u>Description</u>	<u>Account No.</u>	<u>DR</u>	<u>CR</u>
Inventory for consumption	601-0000-0171	\$ 1,200	
Accounts payable	601-0000-0421		\$ 1,200
To record purchased food received			
Inventory of USDA commodities	601-0000-0173	745	
Revenue attributable to USDA commodities	601-9990-4900		745
To record USDA commodities received			

As the foods are used, the inventory accounts are reduced and the food expenditure accounts are charged with the expenditures:

<u>Description</u>	<u>Account No.</u>	<u>DR</u>	<u>CR</u>
Purchased food	601-9990-3100-63000	\$ 700	
Inventory for consumption	601-0000-0171		\$ 700
To record purchased food used			
Food Acquisitions - USDA	601-9990-3100-63500	300	
Inventory of USDA commodities	601-0000-0173		300
To record USDA commodities used			

At a minimum, the inventory charges to the expenditure accounts, i.e., Purchased Food and Food Acquisitions - USDA, should be posted on a monthly basis.

Note: Under the consumption method, perpetual inventories would be maintained.

INTEREST EARNED

Interest earned on SNP investments or checking accounts must be credited as revenue in the SNP fund. The entry to record the revenue is:

<u>Description</u>	<u>Account No.</u>	<u>DR</u>	<u>CR</u>
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Cash in bank	601-0000-0101	\$ 79	
Earnings on investments or deposits	601-9990-1500		\$ 79

To record interest earned

When the interest amount is known but not received by the end of the month (such as with a maturing certificate of deposit), the amount should be accrued before closing the books for the month. An example of the entry to record the revenue accrual is:

<u>Description</u>	<u>Account No.</u>	<u>DR</u>	<u>CR</u>
Interest receivable	601-0000-0114	\$ 115	
Interest earned	601-9990-1500		\$ 115

To record interest earned but not received

Refer to the topic "ACCOUNTS RECEIVABLE" for further information on accruals of revenue and subsequent receipt of the amount accrued.

It is recommended (but not required) that a separate checking account be maintained for SNP. When SNP funds are maintained in the general operating account with other funds, it is necessary to credit the SNP fund with the pro-rata share of interest for the SNP funds.

INTERNAL CONTROL PROCEDURES

The SFA's accounting and administrative internal control policies and procedures generally should include:

- Proper authorization of transactions and activities
- Adequate segregation of duties
- Adequate documentation and records
- Adequate safeguards over access and use of assets and records
- Independent verifications on performance

The following procedures are recommended to insure good internal control:

- The bank statement should be reconciled promptly by someone other than the person who writes checks or records the cash transactions.

- **Bank reconciliations should be reviewed by an administrative officer who is not directly connected with the regular cash operations.**
- **Duties of employees should be structured so that the following functional responsibilities are separated:**
 - a. **Recordkeeping**
 - b. **Physical handling of cash and checks**
 - c. **Authorization of disbursements**
- **All blank checks should be stored under the control of someone other than the check preparer or the bookkeeper.**
- **Checks should be prepared by someone other than the bookkeeper.**
- **Vouchers should be approved for payment before checks are written by someone other than the preparer.**
- **The check signing function should be assigned to someone other than the person who prepares the voucher for payment.**
- **Prepared checks should be reviewed by someone other than the preparer before the signature is affixed.**
- **The signature of the superintendent, or some other official not directly associated with the cash records, should be required on all checks.**
- **If a signature plate is used, control of the plate should be maintained by someone independent of cash records.**
- **All signed checks should be mailed promptly by employees other than those having access to cash and cash records.**
- **The responsibilities of purchasing and approving purchases should be separated from the receiving and storing of goods.**

The procedures adopted by the SFA should be in writing and made available to all personnel involved, as well as to state or independent auditors. Periodically, actual accounting practices should be monitored to assure compliance with the established internal control procedures. See chapters III-1 and III-2 for additional discussion of internal control systems.

INVESTMENTS

An SNP fund may have sufficient cash available for investments such as time deposits, savings certificates, etc. It is lawful to invest in securities of the state, United States, municipalities of the state or bank certificates of deposit (insured by F.D.I.C.). Investment in credit unions is not allowable. Note: Any investment in excess of \$ \$250,000.00 (until 12/31/2013) must be collateralized at 110% by the financial institution. The collateralized instruments should be pledged in the name of the LUA. See chapter IV-6, Managing Cash and Investments, for a detailed discussion of authorized investments.

When an investment is purchased, the transaction is recorded as follows:

<u>Description</u>	<u>Account No.</u>	<u>DR</u>	<u>CR</u>
Investments	601-0000-0111	\$ 20,000	
Cash in bank	601-0000-0101		\$ 20,000

To record investment in a certificate of deposit

At the time an investment matures, the transaction should be recorded in the accounting records, regardless of whether it will be "rolled over," re-purchased or retained in the checking account. Assume that the above \$20,000 certificate of deposit (CD) matures and the SFA receives a check or has its bank account automatically credited in the amount of \$20,600, which includes \$ 600 interest. The entry to record the automatic credit or the deposit in the SFA's bank account is as follows:

<u>Description</u>	<u>Account No.</u>	<u>DR</u>	<u>CR</u>
Cash in bank	601-0000-0101	\$ 20,600	
Investments	601-0000-0111		\$ 20,000
Earnings on investments or deposits	601-9990-1500		600

To record maturity of CD

If the money is not re-invested, no further entry is required. If a check is written for a new investment, an entry would be made to debit the investment account and credit the bank account; however, if the SFA allows the bank to "roll over" the investment and the accumulated interest, an entry to record the interest earned through the date of maturity would be needed as follows:

<u>Description</u>	<u>Account No.</u>	<u>DR</u>	<u>CR</u>
Investments	601-0000-0111	\$ 600	

Earnings on investments and deposits	601-9990-1500	\$ 600
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To record interest on re-investment of CD

Interest earned on any investment is always recorded in the Earnings on Investments or Deposits revenue account (1500). Federal regulations require that interest earned by SNP deposits or investments must be credited to the SNP fund and used only for the operation or improvement of the SNP program.

OPENING A NEW SCHOOL

When a new school is opened, a new school number is assigned by the Facilities Division of the GADOE. This number can be obtained from the appropriate contact person in the superintendent's office of the LUA.

If purchased food or USDA food is transferred to the new school, it should be reported on the first transmission of Form DE0106 Financial Inventory Tab for the new school as a plus (+) adjustment to purchased or USDA foods. The school transferring out the purchased food or USDA food would report a minus (-) adjustment to purchased or USDA food.

Any cash received from another school or central office will be reported as a part of the month's ending cash balance along with other Financial Data.

PREPAID MEALS

When students pay in advance for meals, the revenue should be recorded as student income, Student sales - breakfast and lunch programs. Example:

<u>Description</u>	<u>Account No.</u>	<u>DR</u>	<u>CR</u>
Cash in bank	601-0000-0101	\$ 275	
Student sales - lunch programs	601-9990-1611		\$ 200
Breakfast	601-9990-1612		75.00

To record revenue for prepaid meals

Note: Systems may choose combine and record breakfast and lunch sales in account 1611.

It is necessary that a separate record be maintained, by student, to track the prepayments and the meals applied against each student's account.

There are a number of vendors offering services for managing prepaid meal accounts.

RECORD RETENTION

Federal regulations require that records be kept for a minimum of three years after the transmission of the final report, i.e., the Reimbursement Claim Data and the Financial Data for the school year. If the Reimbursement Claim Data and the Financial Data are transmitted for July, then the starting date for the retention period is July. The regulations also state, "If any litigation, claim, negotiation, audit or other action involving the records has been started before the end of the 3-year period, the records shall be kept until all issues are resolved, or until the end of the regular 3-year period, whichever is later."

SFAs operating under the Special Assistance Certification and Reimbursement Alternatives, provision 2, will have to keep their meal applications, policies and guidance materials for a minimum of six years since provision 2 operates on a three-year cycle.

Equipment records must be retained for a minimum of three years after the date of the disposition, replacement or transfer of the equipment.

See chapter V-3, Records Management, for further information on maintaining a records management system.

RETURNED CHECKS

When a check is returned by the bank for insufficient funds, it is necessary to record a transaction to reduce the bank balance. The SFA has the option to reduce the revenue account to which the original deposit was credited or to establish an accounts receivable.

Assume a \$20.00 check for student meals is returned. If the SFA chooses to reduce revenue, the entry is as follows:

<u>Description</u>	<u>Account No.</u>	<u>DR</u>	<u>CR</u>
Student sales - breakfast and lunch programs	601-9990-1611	\$ 20	
Cash in bank	601-0000-0101		\$ 20

To record returned check

When the money is received to replace the check, it will be credited to Student sales - Breakfast and lunch program revenue account, as usual.

If the SFA chooses to establish an accounts receivable, the entry is as follows:

<u>Description</u>	<u>Account No.</u>	<u>DR</u>	<u>CR</u>
Accounts receivable	601-0000-0153	\$ 20	
Student Sales breakfast and lunch	601-9990-1611		\$ 20

To set up accounts receivable for returned check

When the money is received to replace the check, it will be necessary to clear the accounts receivable balance, as follows:

<u>Description</u>	<u>Account No.</u>	<u>DR</u>	<u>CR</u>
Cash in bank	601-0000-0101	\$ 20	
Accounts receivable	601-0000-0153		\$ 20

To record replacement of returned check

NOTE: A detailed listing must be maintained for the accounts receivable account. The total of the detailed listing must agree with the total of the accounts receivable account in the general ledger.

Collection of returned checks may be contracted with a private vendor in return for service fees.

SUMMER SALARIES

If SNP employees are paid over a twelve-month period for work performed only during the school year (or any period of time less than twelve months), it is necessary to accrue the portion of earned salaries which is "deferred," or set aside to be paid during the summer, as well as the corresponding employee benefits.

The steps for determining the amount of salaries and benefits to accrue are as follows:

1. Calculate the earned salaries, based upon the number of hours each employee worked during the current month.
2. Determine the gross salaries which will be paid on the monthly payroll.
3. The difference between earned salaries and the paid gross salaries is to be recorded as an expenditure in the current month, with an offsetting credit entry to salaries and benefits payable. Also, the related employee benefits are to be

recorded as expenditures with an offsetting credit entry to the salaries and benefits payable.

The entries to record accruals for the month are shown in the following example:

<u>Description</u>	<u>Account No.</u>	<u>DR</u>	<u>CR</u>
SNP cafeteria salaries	601-9990-3100-18400	\$ 715.00	
Matching F. I.C.A.	601-9990-3100-22000	54.70	
Matching teacher ret.	601-9990-3100-23000	38.97	
Salaries and benefits payable	601-0000-0422		\$ 808.67

To record deferred salaries and benefits for SNP personnel

In the months of December and June, it is likely that the total amount earned for the month might be less than the gross salary paid for the month, because of the low number of hours worked. When this occurs, a negative amount may appear in the deferred (accrued) salary column. This amount will be entered as a debit to accounts payable rather than a debit to expenditures which will decrease the accounts payable account. The same principle applies to the matching cost of employee benefits which is relative to the negative salaries amount.

TRANSFER OF FUNDS

If it becomes necessary to transfer funds between schools within the SNP Fund, the transaction should be recorded in the accounting records as a "transfer out" for the contributing school and a "transfer in" for the receiving school.

Assume that the middle school is transferring money to the high school within the SNP fund. (No check is written.) The middle school is fund 603 and the high school is fund 604. The appropriate accounting entry is as follows:

<u>Description</u>	<u>Account No.</u>	<u>DR</u>	<u>CR</u>
Operating transfers to other funds	603-5000-9300	\$ 100	
Cash in bank	603-0000-0101		\$ 100
Cash in bank	604-0000-0101	\$ 100	
Operating transfers			

from other funds

604-5000-5200

\$ 100

To record transfer of funds the middle and high schools

SCHOOL NUTRITION ONLINE USERS MANUAL

In December, 2008, the School Nutrition Division of the Department of Education distributed the School Nutrition Online Users Manual. Users should refer to this guide in reference to the following instructions. Claim Data for the current month should be transmitted to the Accounting Services Division no later than the 10th calendar day of the month following the claim month.

The reimbursement rates for all meals are entered into SNO by the accounting services division. SFA's are notified of the rate information at the beginning of each fiscal year. Below is a listing of the key data required to file a Form DE0106 Claim and the forms that can be used to compile this information.

Avg. Daily Attendance - Enter the school's average daily attendance for the claim month.

Number of Days Lunch Served - Enter the number of days lunches were served.

Number of Days Breakfast Served - Enter the number of days breakfasts were served.

Number of Days Snacks Served – Enter the number of days snacks were served.

**Number of Days SSNP Served – Enter the number of days SSNP meals were served.
Number of Lunches**

**Paid - Enter the number of paid reimbursable lunches served to students.
(Column 2 of the Daily Record of Number of Lunches Served, Form DE 0118)**

**Free - Enter the number of free reimbursable lunches served to students.
(Column 3 of Form DE0118) A current, approved free meal application must be on file to document the eligibility of each student served unless the student has been directly certified.**

Reduced - Enter the number of reduced price reimbursable lunches served to students. (Column 4 of Form DE0118) A current, approved reduced-price meal application must be on file to document the eligibility of each student served.

If Seamless Summer Nutrition Program (SSNP) meals were served, enter number of SSNP meals in the appropriate fields.

Number of Breakfasts

Paid - Enter the number of paid reimbursable breakfasts served to students. (Column 2 of the Daily Record of Number of Breakfasts Served - Form DE0112).

Free - Enter the number of free reimbursable breakfasts served to students.(Column 3 of Form DE0112). A current, approved free price meal application must be on file to document the eligibility of each student served unless the student has been directly certified .

Reduced - Enter the number of reduced-price reimbursable breakfasts served to students. (Column 4 of Form DE0112). A current, approved reduced price meal application must be on file to document the eligibility of each student served.

If Seamless Summer Nutrition Program (SSNP) breakfasts were served, enter number of SSNP breakfasts in the appropriate fields.

Number of Snacks (Regular or At Risk)

Paid - Enter the number of paid reimbursable snacks served to students. (Column 7 of the Daily Record of Number of Lunch Served – Form DE0113).

Free - Enter the number of free reimbursable snacks served to students. (Column 8 of Form DE0113). A current, approved free price meal application must be on file to document the eligibility of each student served unless the student has been directly certified or is participating in an At Risk Snack Program .

Reduced - Enter the number of reduced-price reimbursable snacks served to students. (Column 9 of Form DE0113). A current, approved reduced price meal application must be on file to document the eligibility of each student served unless the student is participating in an At Risk Snack Program.

If Seamless Summer Nutrition Program (SSNP) Snacks were served, enter number of SSNP Snacks in the appropriate fields.

Enter Non-reimbursable Meal Counts.

Enter Non-reimbursable Meal Counts for Adult and Other Non-Reimbursable. This information can be found: Lunch Form DE0118, Breakfast Form DE0112, Snack Form DE0113.

INSTRUCTIONS - EDIT DE107 CLAIM DATA

Lunch - Number of Schools

Enter the total number of schools participating in the National School Lunch Program of the School Nutrition Program. If two schools, an elementary and middle, for example, share the same cafeteria and are reported as only one school lunch program, they should be considered here as two schools, since each school participates in the program.

Breakfast - Number of Schools

Enter the total number of schools participating in the School Breakfast Program. If two schools share the same cafeteria and are reported as only one school breakfast program, they should be considered as two schools, since they each participate in the program.

School Board Expenditures - Non-Equipment

Information reported in this item is optional, with the exception of labor costs. However, failure to report all costs will distort the true cost of operating the program. Any charges paid for by the General Fund and charged to Function 3100 should be reported here. Examples of such expenditures include the following:

- **Salaries and Employee Benefits (Reporting is mandatory)**

Enter the cost of salaries paid by the board for system level personnel with direct program responsibility for supervisory, clerical, or accounting services employed on a full or part-time basis, for the school nutrition program (SNP) only. This includes:

- a. **Salaries paid from the general fund for school personnel who perform SNP services on a full or part-time basis.**
 - b. **Employee benefits and fixed payroll charges for SNP personnel. This covers amounts paid from the general fund for items such as matching F.I.C.A., Medicare, insurance, sick leave, or annual leave. These costs should be documented by payroll records, monthly or quarterly reports, and SFA policy statements covering these items.**
- **Costs Other Than Salaries (Reporting is Optional)**
 - a. **Payment of utilities used by the SNP.**
 - b. **Payment of extermination and pest control.**
 - c. **Payment for SNP equipment maintenance.**

- d. Payment for outside contract for commodity storage and handling for the SNP.
- e. Travel of SNP personnel.
- f. Other costs benefiting the SNP.

Highest Number of Students Eligible During Month

Enter the highest number of students eligible for free and reduced-price meals on file during the month. This information is obtained by summarizing the information in Items A1 and A2 on the Daily Record of Number of Lunches Served (Form DE0118).

Number of Students Eligible on October 31

Enter the total number of students eligible for free or reduced-price meals as of October 31.

Enrollment on October 31

Enter the total student enrollment as of October 31. If enrollment data is unavailable, you may report the SFA's most recent FTE count.

NOTE! THE INFORMATION FOR NO. OF STUDENTS ELIGIBLE ON OCTOBER 31 AND ENROLLMENT ON OCTOBER 31 APPEARS ONLY ON THE OCTOBER SCREEN.

After the Form DE0107 has been submitted, it must be printed and retained for audit/review purposes.

INSTRUCTIONS - EDIT DE FORM 0106 FINANCIAL

In December 2008, the School Nutrition Division of the Department of Education distributed the School Nutrition Online Users Manual. Users should refer to this guide in reference to the following instructions. All users should refer to the SNO Manual in conjunction with the following instructions. Data for the current month should be submitted no later than the 15th calendar day of the month following the claim month.

INSTRUCTIONS

Lunch Data

Cost of Purchased Foods - Enter the total cost of purchased foods used for breakfasts from column 12 of DE Form 0112.

Cost of USDA Donated Foods - Enter the total cost of USDA donated foods used for breakfasts from column 13 of DE Form 0112.

Gross Labor Cost - Enter the total gross labor cost for the breakfast program from either Line 4a. or Line 3b. of the reverse side of DE Form 0112.

Number of Hours Worked - Enter total hours worked for the Breakfast Program from Line 3a. on the reverse side of DE Form 0112. Residual amounts should be reduced to the next highest number.

REVENUE TAB

Local Revenue Sources

The amounts entered in this section are the monthly totals obtained from your accounting records.

1500 Investment Income – Enter the amount of income from investments from Revenue Source 1500.

1621 Non-Reimbursable Sales - Enter the income for Non-Reimbursable Sales from Revenue Source 1621.

1622 Adult Sales - Enter the income for adult meals from revenue source 1622.

1623 Contracted Sales – Enter the income from Contracted Sales from revenue source 1623.

1700 – 1999 Other - Enter all other cash income (sale of assets, jury duty, fees, etc.) from revenue sources 1700 - 1999. Income received from students for a second meal is to be reported as other income.

NOTE: Effective December 1, 2008, lunch and breakfast revenue was separated into revenue sources 1611 and 1612, however there is the option to combine and record both as revenue source 1611 for Form DE0106 purposes.

1611 Lunch -Enter the amount of income for reimbursable student lunches from Revenue Source 1611.

1612 Breakfast -Enter the amount of income for reimbursable student breakfasts from Revenue Source 1612.

1613 Snack -Enter the amount of income for reimbursable student snack from Revenue Source 1613.

1614 Special Milk - This program is available only to schools which do not participate in either the school lunch or breakfast programs. Enter the income for Special Milk from Revenue Source 1614

State Revenue Sources

3510 Salary Supplement- Enter the state funds income from Revenue Source 3510.

3995 Other State Agencies- Enter the Other State Agencies income from Revenue Source 3995.

Federal Revenue Sources

4510 Lunch Reimbursement) - Enter the federal reimbursement for lunches from Revenue Source 4510.

4512 CACFP Reimbursement - Enter the federal reimbursement from Revenue Source 4512.

4520 – 4899, 4995 Other - Enter the federal reimbursement from Revenue Sources 4520 – 4899, 4995.

4511 Breakfast Reimbursement - Enter the federal reimbursement from Revenue Source 4511.

4513 Snack Reimbursement - Enter the federal reimbursement from Revenue Source 4513.

4900 USDA Food Received - Enter the federal revenue from Revenue Source 4900.

Other

5200 – 5299 Transfer In - Enter transfers from other funds or other schools from function 5000 Revenue Source 5200 - 5299.

5300 - 5995 Other - Enter other funds from Revenue Source 5300 - 5995.

EXPENDITURE TAB

100-299 Labor - Enter the labor expense from objects 100-299.

630 Purchased Food - Enter the purchased food from object 630.

635 USDA Food Received - Enter the Food Received-USDA from object 635.

730 – 735 Equipment > \$5,000 - Enter the equipment cost from objects 730 - 735.

300-879 Others (Except 630, 635, 730-735, & 880) - Enter expenditures from objects 300 through 879, with the exception of purchased food, USDA food received, equipment and indirect cost.

930 Transfer Out - Enter transfers to other funds or other schools from function 5000, object 930.

SECTION III - FOOD INVENTORY

If single inventory is selected in the School Approval Module in SNO, the USDA food inventory fields will be “grayed” out and not available for data entry. For Single Inventory, USDA information should be combined with purchased and entered in the purchased inventory fields.

PURCHASED

Beginning Inventory - this value is rolled over from the Ending Inventory field in the previous month.

Purchased Food Received – enter the monthly amount from Purchased food (object 630) from the trial balance or general ledger. (Include 635 if on single inventory.)

Transfers In (+): Enter the value of food transferred into the school.

Transfers Out (-) Enter the value of food transferred out of the school Inventory Adjustment (+) Enter positive adjustments when necessary.

Inventory Adjustment (-) Enter negative adjustments when necessary.

Breakfast Usage – Enter value of food used for breakfast for reporting month. If system utilizes DE Form 0112, the value will be found on that form.

Snack Usage – Enter value of food used for Snack Program for reporting month. If system utilizes DE Form 0113, the value will be found on that form.

Non-Reimbursable Food Cost - Enter the total of non-reimbursable food and milk used from column 4 of the production record for Non Reimbursable foods, DE Form 0120.

Ending Inventory - Enter the total ending inventory of purchased foods from column 8 of the Monthly Inventory of Purchased Foods (DE Form 0115). (Include USDA ending inventory from DE Form 0116 if on single inventory.)

If system is not on Single Inventory, follow the steps above for USDA Food

inventory.

BALANCE SHEET TAB

The amounts reported in this section are the year-to-date balances from the accounting records. A negative cash balance must be entered with a minus (-) sign.

Assets

0101-0103 Cash - Enter the account balance in Cash In Bank from accounts 0101 - 0103.

0114 -0153Accounts Receivable - Enter the combined account balances from account 0114 – 0153.

0171 Value - Purchased Food Inventory - Enter the account balance from account 0171.

0173 Value -USDA Food Inventory - Enter the account balance from account 0173.

0111 Investments - Enter the account balance in from account 0111.

0104 Change Fund - Enter the account balance from account 0104.

0174 – 0199 Other: Enter the account balance from accounts 0174 – 0199.

Liabilities

0401 - 0421 Accounts payable: Enter the total account balances from Accounts payable 0401 through 0421

0499 Other Liabilities: Enter the total account balance from account 0499. 0422 Accrued Salaries/Benefits: Enter the total account balance from account 0422.

Fund Balance

753- 790 Reserved Fund Balance: Enter the total account balance from Accounts 753 – 790.

0751 Reserved for Inventory: Enter the total account balance from Account 0751. Value should equal the total of Purchased Food Ending Inventory 0171 and USDA Ending inventory 0173 for reporting month.

NOTE: After the Form DE0106 Financial data has been submitted, it must be printed and retained for audit/review purposes.