

BUSINESS OF NUMBERS & NUTRITION

CHILD NUTRITION DIRECTORS
AND BUSINESS OFFICIALS

Financial Report 101

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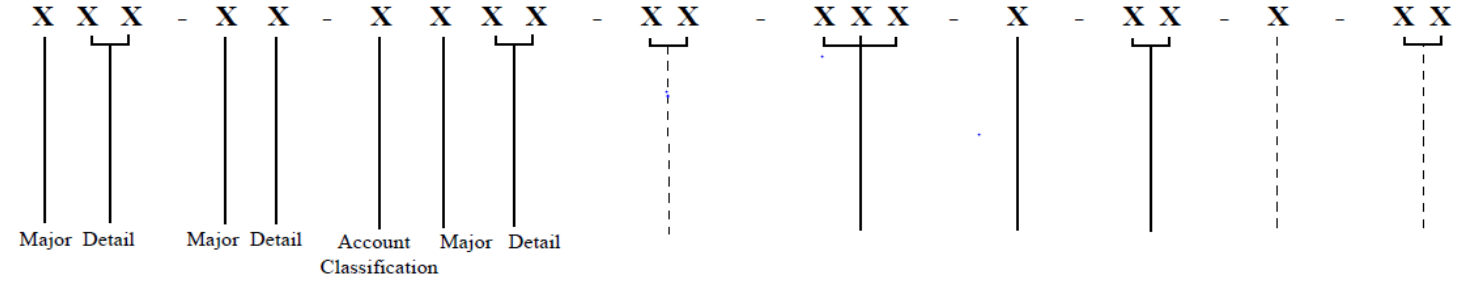
CN Specialist, Reg7





Basics

101



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

Revenue – Expense = 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

Should cover
all monetary revenue
and expenses
for the Child Nutrition Programs

What to Include

**Summer Feeding Programs,
Child and Adult Care Food Program,
catering, a la carte, adult meals,
concessions, etc.**

What NOT to Include

Any non-monetary
revenue and expenses
such as the value of the
USDA Foods



101

Financial Report

In TXUNPS

Opening Balance

AKA

Profit

Fund Balance

Net Cash Resources

Opening Balance

\$ This number is editable

\$ Cannot be a negative number

\$ Could be zero

Revenue

2a Program Revenue

2b State Reimbursement

2c Federal Reimbursement

2d Non Program Revenue

2e Interest Earned

Program & Nonprogram

Program

Revenue & Expense

Any monies received from STUDENTS for reimbursable meals and any food expense associated with preparing those meals

Nonprogram

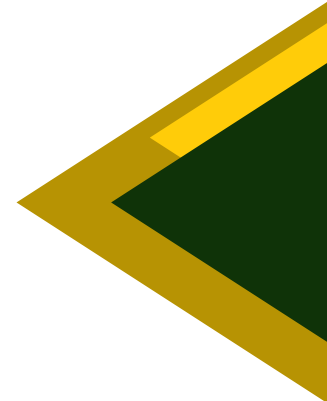
Revenue & Expense

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

Calculating Non Program Revenue & Expenditures

Item Name	Yearly Total	Item Sells for	Item Cost	Total Revenue	Total Expense
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
Roll	80	\$0.50	\$0.12	\$40.00	\$9.60
Fruit/Veg	40	\$0.50	\$0.28	\$20.00	\$11.20
Lunch 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	\$1.98	\$4,984.00	\$2,819.52
Totals				\$7,053.15	\$3,796.80

Calculating Non Program Revenue & Expenditures



Program Revenue + Non Program Revenue = Total Revenue

Program Expense + Non Program Expenses = Total Expenses

A + B = C

C - B = A

Expenses

3a Program Food

3b Non Program Food

3c Salaries

3d Employee Benefits

3e Purchased Services

Expenses

3f Equipment Purchased

3g Supplies\Miscellaneous

3h Indirect Costs

3i Utilities and Other

Expenses

Question #3j

**3j. Total Expenditures =
3 (a+b+c+d+e+f+g+h+i)**

This number will auto populate

Closing Balance

Question #4

= 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

Gain or Loss = Revenue - Expenses

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

Three Month Average Operating Cost

Question #6b

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

This number will auto populate

Mont

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

\$ Funds may be spent on improving the quality of food served or purchasing needed supplies, services, or equipment

Resolving an Excessive Fund Balance

\$ 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

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

Resolving an Excessive Fund Balance

\$ If the proposed expenditure project is a construction project, construction projects are typically not allowable

Indirect Cost Rate

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

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

Delinquent Debt

Debt that is still considered collectable

Bad Debt Amount

Have you reimbursed Child Nutrition?

Yes or No radio button

If an amount is in Question #9, radio button Yes should be checked



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Questions?

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