

Maintenance of Nonprofit School Foodservice Account

This section looks at the overall financial health of the lunch program. ISBE staff will look at the profit and loss of the program, allowable expenses, and in most reviews, will be the starting point. All expenditures under this account must be used to the benefit of the National School Lunch Program ONLY.

Responsibilities/Requested Documentation of the School Food Authority (SFA)

- Annual Financial Report (Public School Districts only)
- General Ledgers
 - Revenues included: NSLP, IL State Free, Payments from students, parents, staff
 - Expenses included: Payroll, Benefits, Food Costs, Purchased Goods or Services, Travel and Conferences, District Credit Cards, Association Fees
- 10% Sample of Invoices
 - May be one full month or extracted from General Ledger
 - All Invoices tied to the Food Services account
 - SFAs under FSMC contracts who still purchase outside vendor for supplies

Internal Controls over National School Lunch Program (Expectations)

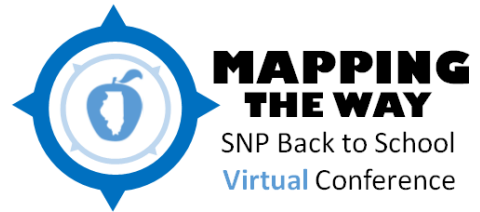
- Training on financial management, including allowable costs. If provided, list frequency and titles of staff who attend in comments.
- Separation of duties so that staff members who receive or manage the collection of money are not also involved in the disbursement of funds.
- A written policy that prohibits the use of nonprofit school food service account funds from being used to cover bad debt.
- Physical controls to ensure funds do not get lost or stolen (examples: lockboxes for petty cash, unique passwords for employee's collection cash at the POS).
- Other/ additional internal controls (list in comments)

Net Cash Resources

The difference between staying at Not for Profit and exceeding the threshold into for profit status.

Total Expenses for the school year, divided by months in the school year, multiplied by 3.

Example: **Total Expenses of \$900,000/9 months X 3 = \$300,000 Net Cash Resources**



Unallowable Expenses

ALL Expenses paid out of the Food Services department **NOT** to the benefit of the lunch or breakfast programs, **MUST** be paid back into the program: Teacher Benefit days, catering to school events or booster programs.

If reviewing the program and General Ledger shows a purchase of X amount for the “High School Music Program,” that amount must be paid back.

Possible Citations under Maintenance of Nonprofit School Foodservice Account

- Unallowable purchases
- Over Net Cash Resources

Helpful Links

<https://vimeo.com/339360912>