

What's New in School Nutrition Webinar – 5/23/16 Q & A Related to Reporting Nonprogram Food Costs

1. When is the nonpublic financial reporting due?
September 15th.
2. Are the menu-costing spreadsheet and Food Cost Calculator required documents?
No, these are not required documents, but tools to use in arriving at nonprogram or program food costs. If a school has other systems in place to separate nonprogram and program food costs, those numbers can be used for the nonpublic financial report or Certified Annual Report for public schools.
3. I don't understand the cost of commodities values used as an expense for our daily food cost. This can be confusing. Two scenarios:
 - Total food costs reported by schools for the Nonprogram Food Revenue Tool only include cash actually expended for food. The value of the donated food product in processed USDA Foods (commodities) is not included in food costs reported. The cash outlay for USDA Foods for processing, storage, and transportation are included in food costs reported.
 - While the primary purpose for USDA foods is their use for reimbursable meals, they may be used in batches of foods that could be sold as ala carte items, adult meals, vended meals, etc. When setting prices for these nonprogram menu items, schools must consider both the value of the donated food product in processed USDA Foods as well as the cash spent for processing, storage, and transportation. See below for additional information about USDA Foods in financial management of School Nutrition Programs.
4. Am I understanding correctly...we need to report expenditure in 1621 for example, if we use 1621 for revenue?
Yes, for every revenue, there should be corresponding expenses.
5. Can we report expenditures in 1620 and track revenues more specifically?
No. Projects 162X and 163X are at the detail rather than the header level. The same level of detail for both revenues and expenditures needs to be used.
6. Do you have to add total hours worked in the 14-15 financial report?
No, the total hours worked is an optional entry in the financial report. Entering the total hours worked for the year allows a calculation of the meals per labor hour (MPLH) which is one estimate of productivity for school meals programs. MPLH is probably more useful for comparison between buildings rather than one calculation for the entire district, but could be useful as an annual comparison. The number entered should be the number of hours worked, not hours paid for sick leave, vacation, etc.

USDA (Commodity) Foods and School Nutrition Financial Management

Every Iowa School Food Authority receives a dollar value in an "account" annually that can be spent on USDA foods (commodities). This is not cash, but an allotment of dollars based on the number of lunches served in the previous school year multiplied by an amount specified by USDA. This "commodity value" is called the Planned Assistance Level (PAL) and changes annually. When schools use their PAL dollars for processed food items, the PAL dollars only cover the cost of the USDA foods in that item, not other ingredients, processing, or shipping fees. Those other costs are paid in cash by schools. This could be to their regular vendor if they are using the diverted foods option or to the Iowa warehouse for USDA foods (currently Keck). These cash costs are included with other food costs when reporting Total School Nutrition Program Food Costs.

The Planned Assistance Level is a financial asset for schools that should be used to the fullest extent possible