

Net Cash Resource Crash Course

DEPARTMENT OF EDUCATION

CHILD AND ADULT NUTRITION SERVICES

SEPTEMBER 22, 2022



south dakota
DEPARTMENT OF EDUCATION

Learning. Leadership. Service.

PRESENTER



Stacey Booth
Grants Management
Program Specialist



**NET CASH
RESOURCES
OBJECTIVES**

**Understand NCR
Definitions and
Requirements**

**Learn about available
flexibilities for SY21-22**

**Recommended uses for
NCR**

Interactive-poll questions

DEFINITIONS

- ▶ School Food Authorities (SFA):
 - ▶ the SFA is responsible for maintaining the nonprofit school food service account and observing the requirements for and limitations on the use of nonprofit school food service revenues.



DEFINITIONS CONT.....

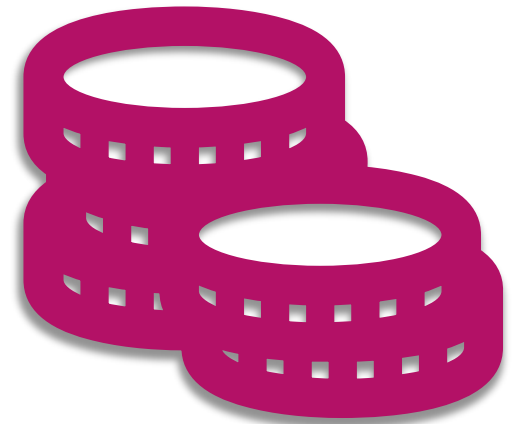
▶ Nonprofit School Food Service Account (NSFSA):

▶ revenue from all food service operations is retained and used only for the operation or improvement of the nonprofit school food service.



DEFINITIONS CONT....

- ▶ Revenue sources:
 - ▶ means all monies received by or accruing to the nonprofit school food fund



DEFINITIONS CONT.....

▶ Net Cash Resources:

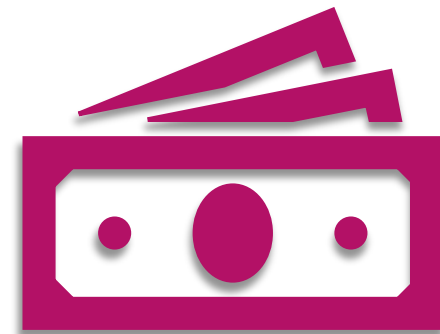
▶ All monies that are available to or have accrued to an SFA's nonprofit school food service at any given time, less cash payable.



DEFINITIONS CONT.....

▶ Net Cash Resources:

▶ National School Lunch Federal Regulation 7 CFR 210.19 states school food authorities are required to limit net cash resources to 3 months' average expenditures.



Poll #1

True or False

The nonprofit school lunch account is strictly used for operation and improvement to the school food service.

Poll #1 Correct Answer

True

SFAs must observe the restrictions on the use of nonprofit food service revenue so that all revenue is used for operating the meal service and/or improving its quality and efficiency.

Poll #2

What is the purpose of keeping track of Net Cash Resources?

A.

In order not to exceed 3 months' average expenditures

B.

To make sure there is always a positive balance

C.

To see if there is enough money in the school food service fund to construct a new building

Poll #2

Correct Answer

A.

SFAs must limit the net cash resources in order not to exceed 3 months' average expenditures.



NCR- POSITIVE ENDING BALANCES

If you end up having an excess balance over the 3-months' average expenditures in your food service account, you will receive a letter from SD DOE.

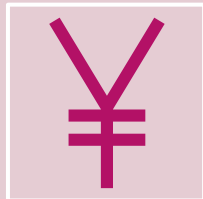
SPEND DOWN PLAN



If your Spend Down Plan is approved, you will receive an approval letter from Grants Management



Normally, the plan would be to spend down the NCR by the end of the current school year (June 30)



SY21-22 – will allow a two-year spend down plan if operator exceeds a 5-month NCR limit

Allowable Costs

MUST BE ALLOWABLE,
REASONABLE,
NECESSARY,
ALLOCABLE

SOUND BUSINESS
PRACTICES;
FOLLOWING FEDERAL,
STATE, LOCAL, TRIBAL
AND OTHER LAWS &
REGULATIONS

CONSISTENTLY TREATED
AS A DIRECT COST OR
INDIRECT COST TO THE
PROGRAM

ADEQUATE
DOCUMENTATION

ALLOWABLE COSTS CONT...

INCREASE FOOD SERVICE
SALARIES

IMPROVEMENTS IN
EQUIPMENT SUCH AS TO
STOVES, OVENS,
FREEZERS,
REFRIGERATORS, TABLES,
CHAIRS EXCLUSIVELY
FOR OPERATION OF CNP

ALLOWABLE COSTS CONT...



Host a free meal for parents/guardians/community members to promote the program



Offer locally grown fresh fruits/vegetables daily



Purchase or improve salad bars or mobile carts



Farm to School Activities



**ALLOWABLE
COSTS
CONT...**

IMPROVE MEAL FOOD QUALITY
BY ADDING FOODS THAT ALLOW
FOR MORE CHOICES AND MEET
MEAL PATTERN REQUIREMENTS

PURCHASE NEEDED SUPPLIES OR
SERVICES

TRAININGS AND/OR TRAVEL FOR
WORKSHOPS, CONFERENCES
AND TRAINING PROGRAMS FOR
CNP EMPLOYEES



Purchase Point-of-Sale Systems



Purchase software for on-line free/reduced application system



Offer free breakfast to reduced or paid students



*Proper procurement procedures must be followed when purchasing equipment

**ALLOWABLE
COSTS
CONT...**

Unallowable Costs

Purchase of land or buildings or construction of buildings

Improvements to land, buildings or equipment

Service systems such as heating and air conditioning, ventilation and sewer systems

Retroactive Costs

Unallowable Costs continued...

Telephone and computer lines

Intercommunications systems

Bad debts

Promotional items including vinyl wrap for decorative purposes

CAPITAL EXPENDITURES

Capital expenditures that have a unit cost of \$5,000 or more must have prior written approval

Examples include large kitchen equipment, food delivery vehicles and walk-in refrigerators/freezers

Contact a Program Specialist to request the preapproval form

▶ You can find the South Dakota Child Nutrition

▶ Program Approved Equipment list at: <https://doe.sd.gov/cans/documents/CNPEquipment-Memo2.pdf>

South Dakota Child Nutrition Program Approved Equipment List

Cold Food Tables

Cafeteria Breath/Sneeze Guard
Refrigerated Buffet Tables / Salad Bars

Countertop Equipment

Commercial Griddles
Hot Plates
Commercial Microwaves
Electric Food Slicers
Commercial Toasters
Induction Cookers
Commercial Food Processors
Commercial Food Blenders
Commercial Food Cutters
Refrigerated Prep Tables

Dishwasher-Sinks and Supplies

Under Counter Commercial Dishwasher
Conveyor Dishwashers
Door Type Commercial Dishwasher
Waste Disposal
Commercial Sinks
Water Heater Booster
Dish Tables

Commercial Food Mixers

Commercial Countertop Mixers
Floor Mixer
Commercial Food Processors
Vertical Cutter Mixer
Planetary Mixer

Freezers

Commercial Chest Freezers
Solid Door Reach-In Freezers
Worktop Freezers
Under Counter Freezers
Commercial Refrigerator/Freezer Dual Temp

Holding and Proofing Cabinets

Holding Cabinets, Stationary &/or Mobile

Hospitality Carts

Tray Station
Tray Dispenser
Tray Truck
Tray Delivery Cart

Commercial Ice Machines - for Salad Bar All types of Commercial Ranges and Ovens

Commercial Cooktops and Ranges
Commercial Convection Ovens
Cook and Hold Ovens
Tilting Skillet
Tilting Kettle
Kitchen Exhaust Systems
Retractable Exhaust

Refrigerators

Pass (Walk) Thru Refrigerators
Drop in Refrigerators
Solid Door Reach-in Refrigerators
Sandwich/Salad Prep Tables
Milk Coolers
Refrigerated Buffet Tables
Under Counter Refrigerators
Worktop Refrigerators
Commercial Refrigerator Freezer Dual Temp

Steam Tables

Electric Steam Tables
Gas Steam Tables
Steam Table Serving Shelf
Cafeteria Breath Guard
Commercial Steamer/pressure steamer
Double Stack Convection Steamer

Food Warmers

Countertop Food Warmers
Drawer Warmers
Soup Kettles
Drop-In Food Warmers

Commercial Work Tables

Poll #3...

True or False

Charges to food service accounts for salaries and wages must be based on records that accurately reflect the work performed.

Poll #3...
Correct Answer

True

Charges for salaries and wages must be accurate, allowable and properly allocated.

Completing the Annual Financial Statement

Public School information is pulled from your Annual Reports that are due in August



Non-public need to fill out the financial form and return no later than August 28th each year



Nonprofits
(excluding
Public Schools)

Financial form
document:
[Financial-
22.docx
\(live.com\)](#)

ANNUAL FINANCIAL STATEMENT

RECAP

Please have your financial information submitted in a timely manner

Receive notice by email/mail (approx. December or January)

Return your Spend Down Plan within 30 days of receiving notice

Approved or Denied SDP notice by email/mail

SY21-22 financials will have until June 30, 2024 to spend down excess funds

THANK
YOU!

<https://doe.sd.gov/cans/>

THANK YOU FOR JOINING US
TODAY!

QUESTIONS?

- ▶ CALL: 605-773-3456
or
605-773-3413
- ▶ EMAIL:
Stacey.Booth@state.sd.us
or
DOE.SchoolLunch@state.sd.us
- ▶ SURVEY: [Click](#)

Non-Discrimination Statement

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, sex, disability, age, or reprisal or retaliation for prior civil rights activity in any program or activity conducted or funded by USDA.

Persons with disabilities who require alternative means of communication for program information (e.g. Braille, large print, audiotape, American Sign Language, etc.), should contact the Agency (State or local) where they applied for benefits. Individuals who are deaf, hard of hearing or have speech disabilities may contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program complaint of discrimination, complete the [USDA Program Discrimination Complaint Form](#), (AD-3027) found online at: [How to File a Complaint](#), and at any USDA office, or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by:

- (1) Mail: U.S. Department of Agriculture
Office of the Assistant Secretary for Civil Rights
1400 Independence Avenue, SW
Washington, D.C. 20250-9410;
- (2) Fax: (202) 690-7442; or
- (3) Email: program.intake@usda.gov.

This institution is an equal opportunity provider.

