

Coding Tip of the Month, February 2022

USDA Supply Chain Assistance Funding Federal Assistance Listing #10.555

The USDA FNS approved this federal supply chain assistance funding in Federal Fiscal Year 2022. This funding is in response to the unprecedented challenges that the National School Lunch Program and School Breakfast Program operators are experiencing in School Year 2021-2022 in purchasing and receiving food. As these challenges are both extensive and widespread, the Supply Chain Assistance funds are targeted to provide a rapid and direct response via financial relief to affected school districts.

Funding will be distributed in April 2022 and may only be used for specific types of foods. Each district must track the expense of these funds and must maintain specific documentation regarding the foods purchased (minimally processed/domestically sourced). There is no expiration date on these funds, however districts are encouraged to spend these funds as soon as possible.

Expense of this grant may only be incurred after the funding is received. Under the full accrual accounting methodology in the Food Service Fund, revenue is recognized when the value is incurred.

The following entries are suggested for record keeping of this grant revenue.

Record the receipt of funds from the SD Dept of Education (anticipated April 2022):

Debit 51 101 (cash account)

Credit 51 475 (unearned revenue account)

Record the allowable expense of these funds for food purchased:

Debit 51 256X XXX 461

Credit 51 101 (cash account)

Record the revenue earned – reduces the unearned portion and recognizes the revenue.

Debit 51 475 (unearned revenue)

Credit 51 4810 XXX (assign an op unit to separate from meal reimbursement revenue)

School Districts using a Food Service Management Company may pay a portion of the contract with these funds. The FSMC must provide documentation and invoice separately for the portion allowable.

Record the receipt of funds from the SD Dept of Education:

Debit 51 101 (cash account)

Credit 51 475 (unearned revenue account)

Record the allowable expense of these funds for the contract:

Debit 51 256X XXX 319

Credit 51 101 (cash account)

Record the revenue earned – reduces the unearned portion and recognizes the revenue.

Debit 51 475 (unearned revenue)

Credit 51 4810 XXX (assign an op unit to separate from meal reimbursement revenue)