

MSBO Annual Conference Properly Calculating Food Service Year End Data Don't Lose Money! May 2, 2012

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School Meals Reporting to FID



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Account Structure

- Function Code (3 Positions)

Fund	Trans.	Function	Object	Program	Grant	Facility/ School	Other
XX	X	XXX	XXXX	XXX	XXXX	XXXXX	XXXX

- Function describes the activity for which a service or material is acquired.



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Account Structure

- Expenditure Function Code
- The FID will require submission of data to the 3rd position of the Function Code.

Fund	Function	Object	Facility /School	Ending Balance
XX	XXX	XX	XXXXX	\$\$\$\$\$\$\$\$\$\$\$\$.\$\$



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Account Structure

- Object Code (4 positions)

Fund	Trans.	Function	Object	Program	Grant	Facility/ School	Other
XX	X	XXX	XXXX	XXX	XXXX	XXXXX	XXXX

- The Object Code describes the service or commodity obtained.



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Account Structure

- Object Codes
 - Salaries (1XXX)
 - Employee Benefits (2XXX)
 - Purchased Services (3XXX-4XXX)
 - Supplies (5XXX)
 - Capital Outlay (6XXX)
 - Other Fees, Dues, Interest (7XXX)
 - Payments to Other Public Schools for Services Rendered (82xx)



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Account Structure

Fund	Function	Object	Facility /School	Ending Balance
XX	XXX	XX00	XXXXX	\$\$\$\$\$\$\$\$\$\$\$\$.\$\$

- It is recommended that districts keep their object codes consistent to the third position of the state chart of accounts. However, the FID only edits data to the 2nd position of the Object Code. Districts may use the 4th position of the Object Code at their discretion.



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Account Structure

Grant Code (4 Positions)

Fund	Trans	Function	Object	Program	Grant	Facility/ School	Other
XX	X	XXX	XXXX	XXX	XXXX	XXXXX	XXXX

- The Grant Code is used to further describe expenditures by grant type.
- **Beginning in 2010 FID – The Grant Code edited to the 3rd position.**



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Grant Codes

- 781 USDA Commodities
- 782 USDA Bonus
- 850 National School Breakfast
- 851 National School Lunch
- 852 National School Lunch Special Milk
- 853 Child Care Food Program (CACFP)
- 856 Fresh Fruit and Vegetable Program
- 858 Summer Food Service Program
- 860 Team Nutrition Training Program
- 861 National School Lunch After School Care Snack Program



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Indirect Cost Recovery Entry

Entry to charge indirect to the School Breakfast Program given an approved Unrestricted Indirect Cost Rate.

Fund	Function	Object	Prog	Grant	Facility /School	Other	Amount
25	611	9990	000	8500	00000	0000	\$\$\$\$
To Record Expenditure Distribution of Indirect Costs in School Meals Fund to Breakfast Program							

Fund	Major Class	Subs	Grant	Other	Amount
11	625	9990	0000	0000	(\$\$\$)
To Record Revenue from Indirect Costs Collected from the Breakfast Program					



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Food Service Reporting Example

Costs Excluded from Direct Cost Base:

Debt Service, Judgments, Fines and Penalties, Bad Debts, Election Expenses, Flow Through Grants

- **Food used in School Meals and other items purchased for resale**
- **Purchased Service Contract amounts in excess of \$25,000**



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Indirect Cost Rate Application

Each year districts may apply for Indirect Cost Rates through the Michigan Department of Education.

To be consistent with charging the programs/grants for indirect;

Individual contracts that are part of the direct costs, should only be included in the rate calculation for individual contract amounts up to the \$25,000. That improves the district's indirect cost rate as the rate is calculated by dividing Indirect Costs by the Direct Cost Base.

Any costs for Central Administration (232) Business Services (252), Other Central Services (28x), or Operations and Maintenance (261) that are **direct billed to a program/grant**, WILL also be moved from the indirect pool to the direct pool when calculating the rate.



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