

School Nutrition Programs Financial Reporting and Auditing Considerations

Kristi Krafft-Bellsky, Yeo and Yeo CPAs & Advisors
Michelle Needham, MDE's Office of Nutrition Services

Meet Your Presenter



Kristi Krafft-Bellsky, CPA
Principal

Experience
20 years experience

Specialty Areas
Audits under Government Auditing Standards
Audits of local school districts
Audits of not-for-profit organizations
Single Audit under 2 CFR 200
Compliance

Professional Memberships
AICPA, MICPA, MSBO, MDE 1022 Committee, & MDE Audit Referent
Committee

Kristi.Krafft-Bellsky@yeoandyeo.com



YEO & YEO

LET'S THRIVE

Meet Your Presenter



Michelle Needham

Financial Analyst

Fiscal and Administrative Services Team

Office of Nutrition Services

Michigan Department of Education

Experience

30 Years Experience

Accounting, Accounting Management, and Grants Monitoring and Management in Non-Profit, Government and For-Profit Organizations

NeedhamM4@michigan.gov

Agenda

01. Auditor's
Perspective on
Compliance and
Audit Issues in the
Food Service Fund

02. Auditor's
Perspective on How
to Navigate Audit
Findings

03. MDE's
Perspective on
Compliance and
Audit Issues in the
Food Service Fund

04. MDE's
Perspective on How
to Navigate Audit
Findings

05. Financial
Reporting Best
Practice

06. Questions

Auditor's Perspective on Compliance and Audit Issues in the Food Service Fund

Compliance Resources

Federal Compliance Supplement:

<https://www.whitehouse.gov/wp-content/uploads/2023/05/2023-Compliance-Supplement-%E2%80%93-2-CFR-Part-200-Appendix-XI.pdf>

State Audit Manual

<https://www.michigan.gov/mde/services/financial-management/audits>

Compliance Requirements

A	B	C	E	F	G	H	I	J	L	M	N
Activities Allowed or Unallowed	Allowable Costs/Cost Principles	Cash Management	Eligibility	Equipment and Real Property Management	Matching, Level of Effort, Earmarking	Period Of Performance	Procurement and Suspension and Debarment	Program Income	Reporting	Subrecipient Monitoring	Special Tests and Provisions
Y	Y	N	Y	N	N	N	Y	N	Y	N	Y

Consider Clusters

May 2023

Child Nutrition Cluster

USDA

UNITED STATES DEPARTMENT OF AGRICULTURE

ASSISTANCE LISTING 10.553 SCHOOL BREAKFAST PROGRAM (SBP)

ASSISTANCE LISTING 10.555 NATIONAL SCHOOL LUNCH PROGRAM (NSLP)

ASSISTANCE LISTING 10.556 SPECIAL MILK PROGRAM FOR CHILDREN (SMP)

**ASSISTANCE LISTING 10.559 SUMMER FOOD SERVICE PROGRAM FOR
CHILDREN (SFSP)**

ASSISTANCE LISTING 10.582 FRESH FRUIT AND VEGETABLE PROGRAM (FFVP)

Internal controls & compliance

Plan for low assessed level control risk

- Not required to achieve

Determine what to test

- Use compliance supplement
- Get SEFA before start fieldwork

Testing of internal control over compliance

- Based on planned assessed level of **low** control risk

Sample for compliance

- One sample for multiple objectives with same population
 - Activities allowed
 - Allowable costs
 - Special tests (?)

Be familiar with sampling requirements to know you tested enough to issue an opinion on compliance

Internal controls & compliance

Nuclear samples

- Make certain sample is chosen from correct population
- If answers are “N/A”, chances are good the sample was selected from the wrong population

Noncompliance

- Why?
- Typically, noncompliance is a result of poor internal controls
- Even if step is not a control step, if its noncompliance consider whether there is a significant deficiency or material weakness

Activities Allowed or Unallowed and Allowable Cost Principles

Compliance Information

Reimbursement calculated by applying the applicable number of meals times a rate

Can only use those funds on allowable operating and administrative costs. (Must have documentation to show it is allowable, invoices, time sheets, etc.)

Testing

Test disbursements (direct costs)

Test payroll (direct costs)

Test indirect cost calculations/transfers out of food service fund

Test that policies and procedures are followed and in compliance with 2 CFR 200

Eligibility

Compliance Information

Districts should be familiar with eligibility requirements and retain documentation to show they have been met

Testing

Testing of annual certification/application and determination of eligibility or Community Eligibility Provision

Testing of direct certification report procedures

Procurement, Suspension and Debarment

Compliance Information

District should follow their purchasing policies and procedures which should align with Federal compliance requirements

Testing

Determine policies and procedures comply with federal and state requirements

Tested in conjunction with disbursement testing typically.

Reporting

Compliance Information

Claim reimbursement requests should agree to district data

Testing

Test claims for accuracy and timely submission

Special Tests and Provisions

Compliance Information

- 1. Verification of Free and Reduced Price Applications**
 - a. Districts should select and verify a required number of applications for testing
- 2. Accountability for USDA- Donated foods**
 - a. Only required for recipient agencies not SFA's (School Food Authority) and SFSP sponsors (Summer Food Service Program)
- 3. Non-profit School Food Service Accounts**
 - a. Required to account for all revenues and expenditures in accordance with federal and state requirements
- 4. Paid Lunch Equity calculation**

Testing

- 1. Test that the required verification was done**
- 2. N/A**
- 3. Observe trial balance and accounting records to determine commingling has not occurred. Consider excess fund balance**
- 4. Test paid lunch equity calculations to verify prices are being adjusted when required**

Auditor's Perspective on How to Navigate Audit Findings

Single Audit Report

- Report on financial statements (opinion)
- Report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with Governmental Auditing Standards (no opinion)
- Report on compliance for each major program; report on internal control over compliance; and report on schedule of expenditures of federal awards required by the Uniform Guidance (opinion on compliance; no opinion on control; in relation to opinion on SEFA)

Internal control over financial reporting

- Report, not opinion
- Lists significant deficiencies and material weaknesses over financial reporting (financial statements as a whole)
- List material noncompliance to the financial statements

Report on compliance over each major program

- Opinion on compliance
 - Per major program
 - Qualify opinion if noncompliance is material in relation to the *compliance requirement* for the program
- Report on internal control over compliance
 - Material weaknesses and significant deficiencies over a compliance requirement in a major program

Single audit report

- Schedule of expenditures of Federal awards (SEFA)
- Schedule of findings and questioned costs
- Summary schedule of prior audit findings
- Corrective action plan
 - Prepared by client if there are findings

Control deficiency

- Likelihood of noncompliance – if there was ANY noncompliance related to this control, likelihood is reasonably possible
- Magnitude exposed to deficiency
 - What was the control deficiency?
 - What is the magnitude of the population exposed to this deficiency?
 - Are there other controls that might catch noncompliance?
 - When you look at the magnitude of the population combined with other controls, how does the potential dollar amount of noncompliance that isn't found match up to materiality?

Known questioned costs

- Amount that did not meet compliance standard that we tested
 - For something like salaries, includes the fringes and indirects as well
- Consider materiality for reporting purposes
 - If > program materiality, material noncompliance and qualified report
 - If > \$25,000, must list as noncompliance
 - If > Financial Statement “trivial” amount, need to consider if an adjustment to the financial statements may be needed
- We are not making legal judgments; questioned cost is not the same as client being required to repay

Likely questioned costs

- You have some amount of known questioned costs
- Extrapolate from sample to population
 - Document this calculation
 - $\text{Known questioned costs} / \text{total amount of sample} * \text{total amount of population sample was drawn from}$
- If likely questioned costs are $> \$25,000$, must list a finding
 - Only put the actual KNOWN questioned costs in the finding as a questioned cost

What to do with deficiencies

- Control versus compliance
- Financial statement versus major program
- Evaluate dollar impact both individually and in aggregate
- Evaluate for potential need for adjustment

Deviations

GAS Control

- Significant Deficiency
- Material Weakness
- Affects basic financial statements

GAS Compliance

- Material, to the basic financial statements, noncompliance

SA Compliance

- Noncompliance with compliance requirement for a major program (material or questioned costs > \$25K)

SA Control

- Significant Deficiency
- Material Weakness
- Affects major program

GAS finding

- Finding number (if client has Single Audit)
- Type of Finding
- Criteria or specific requirement
 - Compliance – what is compliance requirement including where it comes from
 - Control – what is prudent control
- Condition
 - What did the district do or not do
 - Context
 - Background information necessary to see why district did it this way or to see the true effect
- Effect
 - Why does it matter district did it wrong

GAS finding

- Cause
 - Why didn't the district comply
 - Why didn't controls work
- Recommendation
 - Go forward basis how does auditor suggest the district prevent it
 - If applicable, how does the district fix the existing problem
- Views of responsible officials and planned corrective action plan
 - Does district agree it's a problem (views)
 - What are they doing about it (corrective action)
 - Separate district prepared document
 - Need both

Federal award finding

- Finding number
- Program Assistance Listing number
- Assistance Listing program title
- Name of Federal Agency
- Federal award number
- Federal award year
- Name of pass-through entity
- Compliance Requirement (header)
- Type of finding (header)

Federal award finding

- Criteria or specific requirement
 - Same as GAS
- Condition
 - Same as GAS
 - Context
 - Same as GAS
- Questioned costs and how computed
 - \$ amount that MAY be wrong; how calculated
- Effect
 - Same as GAS
- PY Finding number

Federal award finding

- Recommendation
 - Same as GAS
- Views of responsible officials and planned corrective action plan
 - Same as GAS

Corrective action plan (UG)

- On client letterhead signed by responsible official(s)
- Include:
 - Name of contact person responsible for corrective action
 - Corrective action planned
 - Anticipated completion date
- If client believes no corrective action is warranted, include:
 - Explanation
 - Specific reasons

Common Findings in Recent Years

- Excess Fund Balance (Typically a management comment not a finding)
- Procurement

MDE's Perspective on Compliance and Audit Issues in the Food Service Fund

Compliance and Audit Issues in the Food Service Fund

- Internal Control Procedures
- Meal Counting and Claiming
- Eligibility
- Excess Fund Balance (Management Comment)
- Procurement
- Self-Monitoring



MDE's Perspective on How to Navigate Audit Findings

How do you navigate audit findings?

- After sponsors have electronically submitted audit packages, MDE will proactively contact the sponsors if any Single Audit Finding(s) are identified
- You will be asked to submit some or all the following to MDE:
 - a) Corrective Action Plan with verification of the completion date and how you will remain compliant going forward
 - b) Adjusting journal entry and other backup, if applicable
 - c) Updated detailed internal controls, policies and procedures
 - d) Additional information, as requested
- MDE will follow up with Sponsors as necessary to get the required documentation.

Financial Reporting Best Practices

SEFA – Requirements Federal Level

- Individual Federal programs listed by Federal agency; grouped by cluster (even if only 1 Assistance Listing number)
- For awards received as a subrecipient:
 - Name of pass-through entity
 - Identifying number assigned by pass-through entity
- Total Federal awards expended for each individual Federal program/cluster
- Assistance Listing number (or other identifying number when Assistance Listing number not available)

SEFA – Additional Elements MDE

- Approved amount of award/grant
- Source code and project number
- Accrued or unearned revenue July 1, 20X0
- Prior year cumulative actual expenditures from Federal sources
- Current year cash or payments in-kind received from Federal sources
- Current year actual expenditures from Federal sources (required at Federal level)



SEFA – Additional Elements MDE

- Accrued or unearned revenue June 30, 20X1
- Adjustments to prior year awards, expenditures and balances including transfers (explain in footnotes)
- Schedule of Federal awards provided to subrecipients
 - Subrecipients' program title and project number
 - Assistance Listing number of Federal program
 - Subrecipient award or contract amount
 - Current year cash transferred to subrecipient
 - Current year Federal expenditures reported by subrecipients

Example SEFA – Audit Manual

Schedule of Expenditures of Federal Awards
Year Ended June 30, [REDACTED]

Example of commodities breakout

Federal Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Pass-Through Grantor's Number	Approved Award Amount	Accrued (Unearned) Revenue July 1, 2020	Prior Year Expenditures	Current Year Receipts	Current Year Expenditures	Accrued (Unearned) Revenue June 30, 2021
U.S. Department of Agriculture								
Passed through Michigan Department of Education								
Child Nutrition Cluster								
Non-cash assistance (commodities)								
National School Lunch Program - Entitlement Commodities	10.555		\$ 40,344	\$ -	\$ -	\$ 40,344	\$ 40,344	\$ -
National School Lunch Program - Entitlement Bonus	10.555		121	-	-	121	121	-
Total non-cash assistance			40,465	-	-	40,465	40,465	-
Summer Food Service Program for Children	10.559	200900	166,572	-	-	166,572	166,572	-
Summer Food Service Program for Children	10.559	210904	826,824	-	-	786,775	826,824	40,049
			993,396	-	-	953,347	993,396	40,049
Total Child Nutrition Cluster			1,033,861	-	-	993,812	1,033,861	40,049
Total U.S. Department of Agriculture			1,033,861	-	-	993,812	1,033,861	40,049
U.S. Department of the Treasury								
Passed through Michigan Department of Education								
Coronavirus Relief Fund								
COVID-19 MAISA - Device Purchasing program / Distance Learning	21.019	2020-21	46,542	-	-	46,542	46,542	-
COVID-19 103(2) District COVID Costs	21.019	2020-21	25,043	-	-	25,043	25,043	-
COVID-19 11p Coronavirus Relief Funds	21.019	2020-21	711,449	-	-	711,449	711,449	-
Total U.S. Department of Treasury			783,034	-	-	783,034	783,034	-
U.S. Department of Education								
Passed through Michigan Department of Education								
Title I Grants to Local Educational Agencies								
Title I Grants to Local Educational Agencies	84.010	2015301920	513,844	146,069	504,912	155,001	8,932	-
Title I Grants to Local Educational Agencies	84.010	2115302021	528,754	-	-	388,490	519,822	131,332
			1,042,598	146,069	504,912	543,491	528,754	131,332
Passed through Michigan Department of Education								
Rural Education								
Rural Education	84.358	2006601920	45,955	1,403	45,928	1,403	-	-
Rural Education	84.358	2106602021	39,141	-	-	17,713	35,484	17,771
			85,096	1,403	45,928	19,116	35,484	17,771
Passed through Michigan Department of Education								
English Language Acquisition State Grants								
English Language Acquisition State Grants	84.365	2105702021	197	-	-	189	189	-
Passed through Michigan Department of Education								
Supporting Effective Instruction State Grants								
Supporting Effective Instruction State Grants	84.367	2005201920	163,527	57,913	148,173	57,913	-	-
Supporting Effective Instruction State Grants	84.367	2105202021	108,836	-	-	66,457	94,421	27,964
			272,363	57,913	148,173	124,370	94,421	27,964

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

PY SEFA example – when continuing grant

June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	AL Number	Approved Awards Amount	(Memo Only) Prior Year Expenditures	Accrued (Deferred) Revenue at July 1, 2020	Federal Funds/ Payments In-kind Received	Expenditures	Accrued (Deferred) Revenue at June 30, 2021	Subrecipients
U.S. Department of Agriculture								
Child Nutrition Cluster								
Passed through the Michigan Department of Education								
Non-cash Assistance:								
Entitlement commodities - 2020-2021	10.555	\$ 36,258	\$ -	\$ -	\$ 36,258	\$ 36,258	\$ -	\$ -
Cash Assistance								
National School Lunch Program:	10.555							
COVID-19 SFSP 200902		237,183	237,183	44,955	44,955	-	-	-
Summer Food Service Program (SFSP)	10.559							
2019-2020 200900		51,398	1,467	-	49,931	49,931	-	-
2020-2021 210904		619,671	-	-	531,569	619,671	88,102	-
Total Summer Food Service Program		671,069	1,467	-	581,500	669,602	88,102	-
Total Cash Assistance		908,252	238,650	44,955	626,455	669,602	88,102	-
Total Child Nutrition Cluster		944,510	238,650	44,955	662,713	705,860	88,102	-

CY SEFA example

PY Award from PY SEFA	619,671
CY Award from GAR	53,154
Total Award to include on CY SEFA	672,825

June 30, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	AL Number	Approved Awards Amount	(Memo Only) Prior Year Expenditures	Accrued (Unearned) Revenue at July 1, 2021	Federal Funds/ Payments In-kind Received	Expenditures	Accrued (Unearned) Revenue at June 30, 2022	Subrecipients
U.S. Department of Agriculture								
Child Nutrition Cluster								
Passed through the Michigan Department of Education								
National School Breakfast Program:								
Seamless Summer Option 2020-2021 - 211970	10.553	\$ 39,459	\$ -	\$ -	\$ 39,459	\$ 39,459	\$ -	\$ -
Seamless Summer Option 2021-2022 - 221970		405,681	-	-	374,973	405,681	30,708	-
Total National School Breakfast Program		445,140	-	-	414,432	445,140	30,708	-
Non-cash Assistance:								
Entitlement commodities - 2021-2022	10.555	134,178	-	-	134,178	134,178	-	-
Cash Assistance								
National School Lunch Program:								
Seamless Summer Option 220910	10.555	90,380	-	-	90,380	90,380	-	-
Seamless Summer Option 211961		145,323	-	-	145,323	145,323	-	-
Seamless Summer Option 221961		1,502,343	-	-	1,392,588	1,502,343	109,755	-
Total National School Lunch Program		1,738,046	-	-	1,628,291	1,738,046	109,755	-
COVID-19 Extended SFSP								
2020-2021 210904	10.559	672,825	619,671	88,102	141,256	53,154	-	-
Total Cash Assistance		2,856,011	619,671	88,102	2,183,979	2,236,340	140,463	-
Total Child Nutrition Cluster		2,990,189	619,671	88,102	2,318,157	2,370,518	140,463	-

MDE Annual Financial Reporting Requirements for Sponsors

Financial Information Database (FID) School Meals Report

- Local Education Agencies (LEAs)
- Intermediate School Districts (ISD)
- Public-School Academies (PSA)
- Reporting Period July 1-June 30

CEPI - (michigan.gov)

- Upload Financial Data using CEPI Application
- Data Complies with the Michigan Public School Accounting Manual Chart of Accounts

Child Nutrition Program Year End Report (CNP-YER)

- Private Schools
- Residential Child Care Institutions (RCCI)
- Reporting Period July 1-June 30

MIND Application

- Key Financial Data Directly into the CNP-YER
- Attach Corresponding Supporting Detailed General Ledger

Financial Information Database (FID) School Meals Report

Reporting Period SY 23-24

- Opens September 2024
- Closes November 2024

Accounting resources

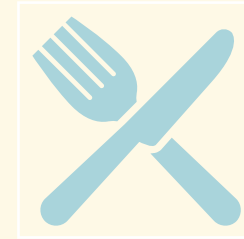
- Michigan Public School Accounting Manual provides Public Schools, ISDs, and PSAs with a consistent method for recording financial accounting transactions which can be found on the MDE website at the [Michigan Public School Website](#)



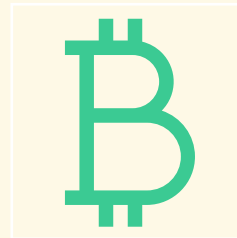
Benefits of Financial Reporting



Stay compliant with Federal, State and local agencies



Improves Decision Making to Operate the Food Service Program



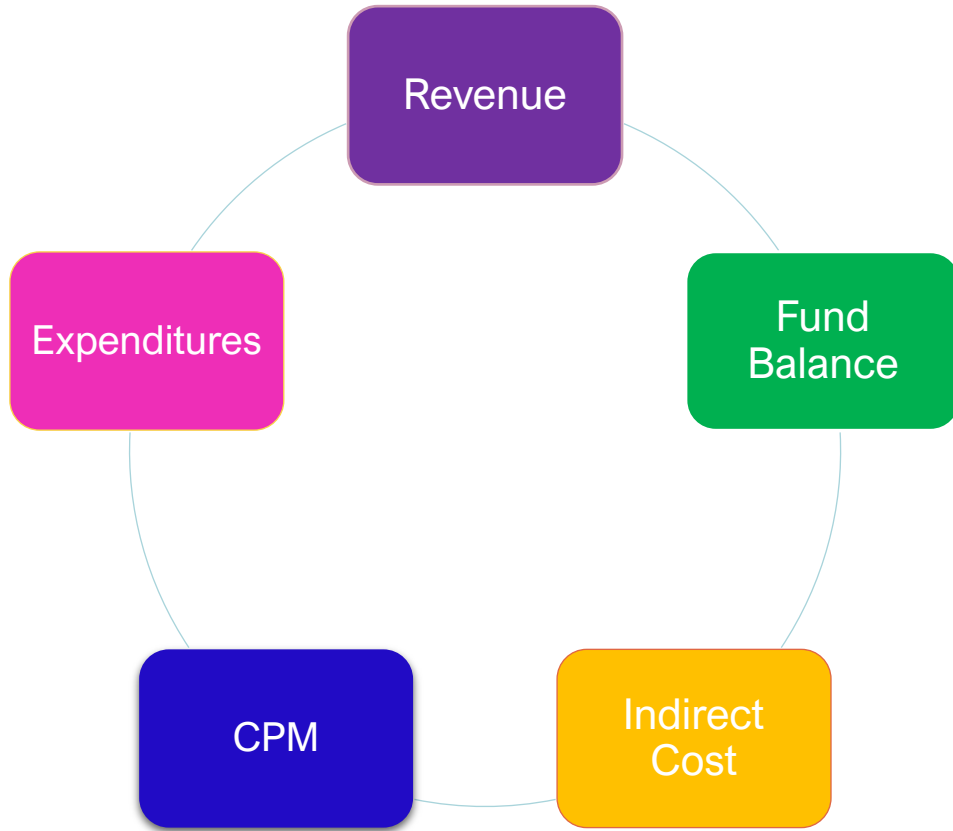
Reflects the true status of the Food Service Fund



Budgeting/Forecasting



FID School Meals Report Overview



Revenue	
Local (11x-15x, 17x-19x)	\$17,000.00
Pupil/Students (161)	\$44,080.99
Patron/Adults (162)	\$9,704.40
Milk (163)	\$12,445.43
Ala Carte (164)	\$426,084.50
Catering (165)	\$0.00
Other (169)	\$0.00
Total Local (1xx)	\$509,315.32
Intermediate Revenue (2xx)	\$0.00
State (31x)	\$391,774.64
Federal (41x)	\$9,890,540.29
Commodity (481)	\$621,814.76
Bonus Commodity (482)	\$0.00
Another Public School (518)	\$0.00
Other Finance Source (511-517,519-54x, 59x)	\$0.00
Fund Modifications (6xx)	\$112,905.51
Total School Meals Revenue	\$11,526,350.52

School Meals Beginning Fund Balance	\$3,963,611.98
Total School Meals Revenue	\$11,526,350.52
Total School Meals Cost w/o Capital Outlay	\$12,499,396.62
Capital Outlay	\$811,353.84
Prior Period Adjustment	\$0.00
School Meals Ending Fund Balance	\$2,179,212.04
Allowable Fund Balance	\$4,166,465.54
Excess Fund Balance	\$0.00

Indirect Rate (Unrestricted)	13.37%
*Maximum Allowable Indirect	\$945,756.46
*N/A for Contracts exceeding \$25K Rule	

	2019	2020
Breakfast Meals Served	646,219	551,962
Breakfast Cost per Meal	\$2.37	\$3.23
Lunch Meals Served	1,919,600	1,624,079
Lunch Cost per meal	\$3.42	\$4.14

Expenditures	Breakfast Grant Codes 306, 311, 850	Lunch Grant Codes 310, 851	All Other Programs*	Total
Salaries	\$496,655.34	\$1,559,534.37	\$1,159,875.25	\$3,216,064.96
Benefits	\$382,166.77	\$1,291,910.12	\$835,147.47	\$2,509,224.36
Purchased Services	\$139,139.09	\$595,206.22	\$325,497.89	\$1,059,843.20
Thru another Public School	\$0.00	\$0.00	\$0.00	\$0.00
Supplies and Other	\$37,396.09	\$157,203.48	\$93,988.65	\$288,588.22
Sub Total	\$1,055,357.29	\$3,803,854.19	\$2,414,509.26	\$7,073,720.74
Food Costs	\$622,201.82	\$2,661,641.11	\$1,541,832.95	\$4,825,675.88
Indirect Costs	\$108,000.00	\$462,000.00	\$30,000.00	\$600,000.00
Total Program Cost	\$1,785,559.11	\$6,727,495.30	\$3,986,342.21	\$12,499,396.62
Capital Outlay	\$0.00	\$811,353.84	\$0.00	\$811,353.84

Food Service Revenue Coding Structure

REVENUES

Fund	Transaction	Major Class	Suffix		Grant	Other
XX	X	XXX	XXXX	XXX	XXXX	XXXXXX-XXXX

Patron/Adults (162)	\$680.00
Milk (163)	\$0.00
Ala Carte (164)	\$0.00
Catering (165)	\$0.00
Other (169)	\$0.00
Total Local (1xx)	\$1,503.47
Intermediate Revenue (2xx)	\$0.00
State (31x)	\$910.57
Federal (41x)	\$11,063.94
Commodity (481)	\$0.00
Bonus Commodity (482)	\$0.00
Another Public School (518)	\$0.00
Other Finance Source (511-517,519)	---

1

Fund Code
25

2

Major
Class Code

3

Grant
Code

4

Function
Code 297

FID School Meals Report

Fund Balance

School Meals Beginning Fund Balance	\$4,080.92
Total School Meals Revenue	\$13,477.98
Total School Meals Cost w/o Capital Outlay	\$10,338.40
Capital Outlay	\$0.00
Prior Period Adjustment	\$0.00
School Meals Ending Fund Balance	\$7,220.50
Allowable Fund Balance	\$3,446.13
Excess Fund Balance	\$3,774.37



Identify Excess Fund Balance by Comparing Ending Fund Balance to Allowable Fund Balance



Allowable Fund Balance = Total Program Expenditures w/o Capital Outlay / 9 Operating Months) x 3



EFB Calculation Worksheet [Calculation Worksheet](#)

FID School Meals Report Indirect Cost

- This template may be used for calculating or verifying Indirect Costs Allowable Amount taken on the FID Schools Meal Report.
- Located on our [website- Indirect Cost Template](#)
- Guidance [Indirect Cost Guidance \(SP-60-2016\)](#)

+	Michigan Department of Education Office of Health and Nutrition Services Fiscal and Administrative Services (FAST)		
	Public School Indirect Cost Calculations		
School District Name:			
Agreement Number:			
School Year:			

Total Food Service Program Expenditures	
Less: Food Costs (Object Codes: 56XX)	
Less: Indirect Costs Already Charged (Object Code 99XX)	
Less: Capital Outlay (Object Codes: 6XXX)	
Less: Prior Period Adjustments	
Less: Costs that Benefit Multiple Programs Charged Directly	
Less: *Excluded Purchased Service Vendor(s) >\$25,000 (Object Codes 3XXX, 4XXX)	\$0.00
Total Unallowable Costs	\$0.00
Modified Direct Cost Base	\$0.00
Unrestricted Indirect Cost Rate	
Maximum Indirect Costs Allowed	\$0.00
SFA Actual Indirect Costs Charged	
Within Allowable Amount; Check Calculation for Accuracy	\$0.00

FID School Meals Report

Cost per Meal

Intermediate Revenue (2xx)	\$0.00			
State (31x)	\$29,324.04	Indirect Rate (Unrestricted)		14.74%
Federal (41x)	\$460,481.89	*Maximum Allowable Indirect		\$63,274.93
Commodity (481)	\$51,865.68	*N/A for Contracts exceeding \$25K Rule		
Bonus Commodity (482)	\$0.00		2018	2019
Another Public School (518)	\$0.00	Breakfast Meals Served	37,879	39,047
Other Finance Source (511-517,519-54x, 59x)	\$0.00	Breakfast Cost per Meal	\$2.78	\$2.77
Fund Modifications (6xx)	\$0.00			
Total School Meals Revenue	\$901,235.76	Lunch Meals Served	167,563	170,304
		Lunch Cost per meal	\$2.81	\$2.65

14.74%

Food Service Expenditure Coding Structure



Code all “breakfast” expenditures to the SBP grant code of 850X



Code all “lunch” expenditures to the NSLP grant code of 851X



“All Other Programs” column of the FID School Meals Report

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

Object	Fund	Grant
Object Code	Fund Code 25	Grant Code

FID School Meals Report Grant Codes Revenue and Expenditures



- 781x USDA Commodities
- 782x USDA Bonus
- 850x National School Breakfast
- 851x National School Lunch
- 852x National School Lunch Special Milk
- 853x Child Care Food Program (CACFP)
- 856x Fresh Fruit and Vegetable Program
- 858x Summer Food Service Program
- 860x Team Nutrition Training Program
- 861x National School Lunch After School Care
Snack Program
- 862x USDA Farm to School Grant
- 863x USDA Nutrition Discretionary Grants
(Equipment)

FID Reporting Resources

[Fiscal Reporting \(michigan.gov\)](https://michigan.gov)

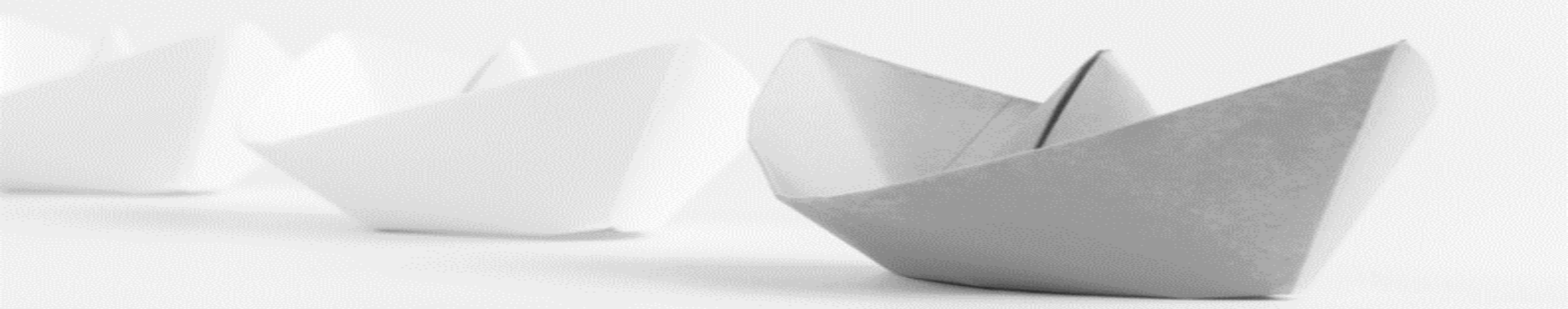
SY xx-xx FID Coding and Reporting Tips

Access the FID

FID User Guide

FID School Meals Report Instructions

The website also includes links to the School Nutrition Program Coding and the MDE – Public School Accounting Manual



Most Common Errors Reported in the FID

Expenditures not properly reported for Programs

- 850x Breakfast
- 851x Lunch
- 000x All Other Program (Includes Ala Carte, Adult Meals, Catering, Vending, and All Other Federal Child Nutrition Programs)

State Revenue Classified with Incorrect Suffix Codes

Indirect Costs Exceed Maximum Allowable Amount

Ending with a Negative Fund Balance in Fund 25

FID School Meals Report Recap

Who Reports on the FID

Local Education Agencies (LEAs)
Intermediate School Districts (ISD)
Public-School Academies (PSA)

What is Reported

Food Service Fund Revenue and
Expenditures to FS Fund 25 using
proper coding

When does it Open

September of each year
Closes November 1st
Reporting Period July 1-June 30

Where

CEPI Application

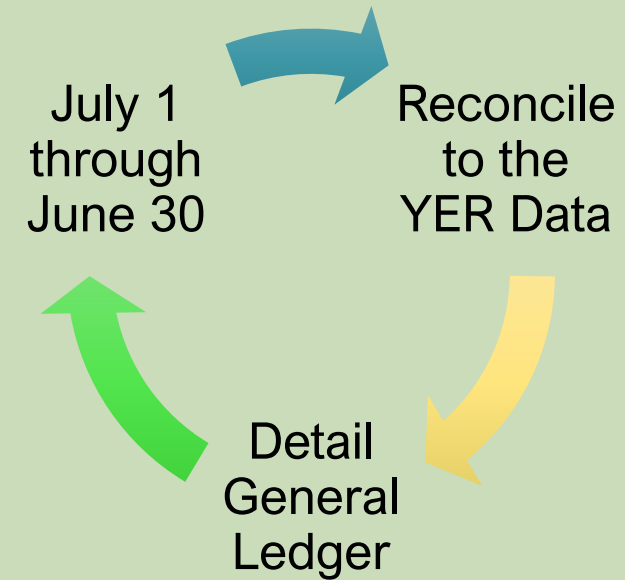
Why

Used to calculate State
Supplemental Payments
Improves decision making to
operate the Food Service Program

Child Nutrition Program Year End Report (CNP- YER)

Revenue Worksheet		Expenditure Worksheet	
Non-profit Food Service Account Total Revenue		Non-profit Food Service Account Total Costs	
1. Revenue from Student Meal Payments : i	\$0.00	1. Salaries (Food Service Related) : i	\$0.00
2. Federal Revenue from SNP Claim Reimbursement : i	\$0.00	2. Employee Benefits : i	\$0.00
3. Federal Revenue from CACFP Claim Reimbursement : i	\$0.00	3. Purchased Services : i	\$0.00
4. Federal Revenue from SFSP Claim Reimbursement : i	\$0.00	4. Transportation Supplies : i	\$0.00
5. Student A La Carte : i	\$0.00	5. Supplies and Other Materials : i	\$0.00
6. Adult Sales : i	\$0.00	6. SUBTOTAL : i	\$0.00
7. Additional Federal Revenue i	\$0.00	7. Indirect Cost : i	\$0.00
8. Catering : i	\$0.00	8. Food Cost : i	\$0.00
9. Other Revenue : i	\$0.00	9. Total Expenditures (sum of lines 6 through 8) : i	\$0.00
10. Fund Modifications (+ or -) : i	\$0.00		
11. Total Revenue (sum of lines 1 through 10) : i	\$0.00		

Balance Sheet	
1. Beginning Balance (balance from last year's audit report) : i	\$0.00
1. a. Adjusted Beginning Balance : i	\$0.00
1. b. Provide Comment : i	
2. Year End Revenue Total (line 1 Beginning Balance plus Revenue Worksheet line 11 Total Revenue) : i	\$0.00
3. Year End Expenditure Total (Expenditure Worksheet line 9) : i	\$0.00
4. Capital Outlay : i	\$0.00
5. Total Expenditures (line 3 plus line 4) : i	\$0.00
6. Ending Fund Balance (line 2 minus line 5) : i	\$0.00
7. Number of Months Claimed : i	0
8. Allowable Fund Balance : i	\$0.00
9. Excess Fund Balance : i	\$0.00



Private Schools

Residential Child Care Institutions (RCCI)

CNP-YER Revenue

Revenue Worksheet

- Enter Revenue Data by Category
- Fund Modification (FM)- Reserved for Authorized Amount added to or taken from the Food Service Fund
- Example of FM Loan and Amounts to make Fund whole due to Negative Fund Balance

Revenue Worksheet	
Non-profit Food Service Account Total Revenue	
1. Revenue from Student Meal Payments : i	\$0.00
2. Federal Revenue from SNP Claim Reimbursement : i	\$0.00
3. Federal Revenue from CACFP Claim Reimbursement : i	\$0.00
4. Federal Revenue from SFSP Claim Reimbursement : i	\$0.00
5. Student A La Carte : i	\$0.00
6. Adult Sales : i	\$0.00
7. Catering : i	\$0.00
8. Other Revenue : i	\$0.00
9. Fund Modifications (+ or -) : i	\$0.00
10. Total Revenue (sum of lines 1 through 9) : i	\$0.00

CNP-YER Expenditure

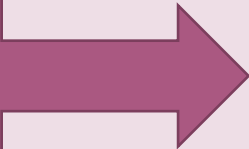
Expenditures Worksheet

- Enter Cost Exclusive to Food Service
- Indirect Cost Recovery must be recorded in the General Ledger

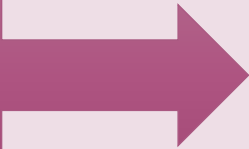
Expenditure Worksheet	
Non-profit Food Service Account Total Costs	
1.Salaries (Food Service Related) : i	<input type="text" value="\$0.00"/>
2.Employee Benefits : i	<input type="text" value="\$0.00"/>
3.Purchased Services : i	<input type="text" value="\$0.00"/>
4.Transportation Supplies : i	<input type="text" value="\$0.00"/>
5.Supplies and Other Materials : i	<input type="text" value="\$0.00"/>
6.SUBTOTAL : i	<input type="text" value="\$0.00"/>
7.Indirect Cost : i	<input type="text" value="\$0.00"/>
8.Food Cost : i	<input type="text" value="\$0.00"/>
9.Total Expenditures (sum of lines 6 through 8) : i	<input type="text" value="\$0.00"/>

CNP-YER Balance Sheet

Multiple Lines
are Calculated
and
Prepopulated



Capital Outlay



Fund Balance



Balance Sheet	
1. Beginning Balance (balance from last year's audit report) : i	\$0.00
1.a. Adjusted Beginning Balance : i	\$0.00
1.b. Provide Comment : i	
2. Year End Revenue Total (line 1 Beginning Balance plus Revenue Worksheet line 10 Total Revenue) : i	\$500,000.00
3. Year End Expenditure Total (Expenditure Worksheet line 9) : i	\$356,000.00
4. Capital Outlay : i	\$0.00
5. Total Expenditures (line 3 plus line 4) : i	\$356,000.00
6. Ending Fund Balance (line 2 minus line 5) : i	\$144,000.00
7. Number of Months Claimed : i	0
8. Allowable Fund Balance : i	\$118,666.67
9. Excess Fund Balance : i	\$25,333.33

CNP-YER General Ledger Upload

Select the upload icon and choose files to upload or drag and drop to upload the general ledger files.

The screenshot displays the 'General Ledger' upload interface. It features a 'Description' text area on the left and a 'File Upload' section on the right. The 'File Upload' section includes an upload icon, the text 'Select files to upload', and a table with columns for 'Row Number', 'FileName', and 'Size'. Below the table is an 'Upload' button. At the bottom of the interface is a table listing uploaded files.

Row Number	Document Name	Comment	Uploaded Date	Uploaded By	Certified Date	Certified By	Action
1)	SY20222 GL.xls	GL doc	8/31/22, 11:25 AM				

Regulations

7 CFR Part 210 – USDA Program Regulations

- 210.14 Resource Management
 - 210.14a Nonprofit School Food Service
 - 210.14b Net Cash Resources
 - 210.14c Financial Assurances
 - 210.14e Pricing Paid Lunches
 - 210.14f Revenue from Non-Program Foods
 - 210.14g Indirect Costs
- 210.19 Additional responsibilities
 - 210.19(a)(1) Assurance of compliance for finances
 - 210.19(a)(3) Program compliance
- 210.9 Agreement with State Agency

2 CFR Part 200 – Uniform Guidance

- 200.313, 200.407, 200.439 Equipment
- 200.318-326 Procurement
- 200.403 Allowable Costs
- 200.404-.405 Necessary, Reasonable, Allocable
- 200.412 Treated Consistently
- 200.420-.475 Allowability of Specific Items of Cost
- 200.414 Indirect Costs
- 200.501 Requiring Audits

Questions



Contact Information



Michelle Needham, MDE Office of Nutrition Services

Email: needham4@michigan.gov

Kristi Krafft-Bellsky, Yeo & Yeo CPAs & Advisors

Email: Kristi.Krafft-Bellsky@yeoandyeo.com