

FOOD SERVICE – FISCAL HOT TOPICS


Office of Health and Nutrition Services
Michigan Department of Education

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Happening Again!

Resource Management Reviews

- Part of your Administrative Review
- Follows the same cycle
- Fiscal Portion of the Administrative Review
- Conducted separately by different Analysts



When is my district having a Review?

- Based on a 3-5 year cycle
- When was your last Administrative Review?
- The list is determined by the Program Side
- List is typically published in early fall



WRITTEN INTERNAL CONTROL POLICIES AND PROCEDURES

POLICY

A Policy is a general statement that lays the foundation and guides the decision making in an organization. It is a deliberate system of guidelines to guide decisions and achieve outcomes.

- Focus is broad
- Shows the “Why”
- Not changed frequently
- *Example: An Organizations has a policy on employee attendance*
- *Example: A school district has a policy on managing grant funding*

PROCEDURES

A procedure is a document that details the step-by-step instructions that everyone should follow to tackle an issue or make a decision.

- Focuses on specifics
- Shows the: How? When? Where? Whom?
- Adjusted based on operational changes
- *Example: An Organization has a procedure how to report absences*
- *Example: A Food Service Department has procedures on how they handle cash when collecting funds at POS and who makes the deposit*

Written Internal Control Procedures

Child Nutrition Program

- Determine Allowable vs Unallowable
- Training
- Separation of Duties
- Physical Controls
- Equipment Purchases
- Allowable Fund Balance Tracking



RESOURCE MANAGEMENT REVIEW COMMON FINDINGS



MAINTENANCE FINDINGS



No separate financial tracking



Financial records do not reconcile to the FID/YER



Unallowable Costs



Excess Fund Balances



Prior approval not received on Equipment purchases when applicable

Common Findings for Revenue from Non-program Foods



Non-program foods prices too low or offered free of charge

Insufficient process to assess compliance

Revenue ratio is less than cost ratio for Non-program foods

Non-program revenue did not accrue to the NSFSA

Not all revenue categories are tracked and reported separately

Common Findings for Indirect Costs

Indirect costs charged improperly

Not treated consistently across all programs

Calculations supporting documentation not available

Indirect costs charged in excess of approved unrestricted rate

Indirect costs exceed the maximum allowable

Adult Meals

**Sales tax required
on all adult meals
and adult ala carte
sales**



No Charging:

- Charging of any adult meals or adult ala carte
- Charging of student ala carte



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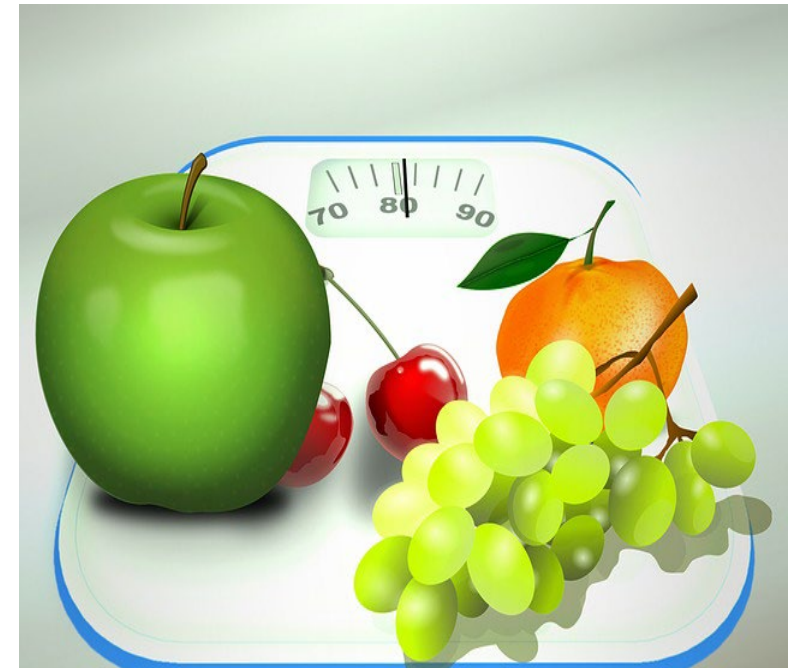
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QUESTIONS?

