

School and Community Nutrition Program

PROGRAM FUNDS

Because the District receives federal, state, and local funds to finance the school and community nutrition program, it is imperative that funds be properly safeguarded, that accurate records be kept, and that reports be made as required. In order to achieve this, the following procedures will be implemented:

1. All funds received as payment for meals (school nutrition program breakfast and/or lunch) and federal and state reimbursements shall be used only for food, labor, equipment, and supplies for the operation/improvement of the school nutrition program.
2. School nutrition program funds may not be used for:
 - a. The purchase of land.
 - b. The purchase or construction of buildings.
3. All schools shall make the required reports as required by the USDA and the Kentucky Department of Education.
4. A copy of all reports, financial records, and applications for free- and/or reduced-price meals shall be kept through the current fiscal year and the three (3) years that follow or through the completion of any unresolved audit issues, whichever is longer.

It is recommended by KDE that if the school/District is operating under the Community Eligibility Provision, copies of Household Income Forms (HIF) be kept following the retention schedule above.
5. All meals receiving federal reimbursement are priced as a complete unit.
6. The school nutrition program is operated on a nonprofit basis. Actual cash balances shall be maintained in accordance with state/federal regulation, as appropriate.

FOOD SERVICE/SCHOOL NUTRITION PROGRAM DIRECTOR REPORT

Each year, the District/area Food Service/School Nutrition Program Director shall assess the school nutrition program and issue a written report to parents, the Board, and school-based decision making councils by a date specified by the Superintendent/designee. The annual report shall include requirements specified by state and federal regulations.

DELINQUENT DEBT

When payment is overdue, the debt is classified as delinquent, as long as it is considered collectable and efforts are being made to collect said debt. A debt owed to the Nonprofit School Food Service Account remains on the accounting documents until it is either collected or is determined to be uncollectable and written off. The delinquent charges may be carried over from year to year as long as the student is enrolled in the District.

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BAD DEBT

When it is determined further collection efforts for delinquent debt are useless or too costly, the debt must be reclassified as "bad debt". When this uncollectible debt becomes bad debt, it is written off as an operating loss. Food service funds may not be used to cover costs related to the bad debt. These losses must be restored using nonfederal funds (general fund) and a transfer must be made into the Nonprofit School Food Service Account to cover the loss.

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SUPPORT SERVICES

07.1 AP.1
(CONTINUED)

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BAD DEBT (CONTINUED)

Once a student graduates or has withdrawn from the District, the delinquent debt or charges become a “bad debt”.

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Once delinquent meal charges are converted to bad debt, records relating to those charges must be maintained in accordance with the record retention requirements.

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REFERENCES:

702 KAR 6:090
7 C.F.R. 245.6