



Resource Management
for the Administrative
Review

School Year 2025-26

October 15, 2025



Connecticut State Department of Education
Bureau of Child Nutrition Programs

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Four Areas

- Nonprofit School Food Service Account (NSFSA)
- Paid Lunch Equity
- Revenue From Nonprogram Foods
- Indirect Costs



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Topics: Comprehensive Review of
Maintenance of NSFSA

- Net cash resources: financial report
- Internal controls
- Equipment purchases
- Allowable costs



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Topics: Comprehensive Review of
Revenue from Nonprogram Foods

- Acceptable process to calculate compliance with nonprogram foods requirements
- Adult meal prices
- Catering




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CSDE Resource


Resource Management
Comprehensive Review
Organizational Tool

- Customized version sent to each SFA



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Comprehensive
Review of
Maintenance
of NSFSA

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Requirements for NSFSA

▪ Use all NSFSA revenue solely for operation or improvement of school food service

▪ Limit net cash resources to 3 months' average expenditures **or**

- have process or CSDE-approved plan for spending amount in excess of 3 months




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Requirements for NSFSA, continued

▪ Comply with allowable cost restrictions, limiting expenses of nonprofit school food service funds to costs that are

- necessary
- reasonable
- allocable




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Materials Reviewed: Revenues and Expenses

▪ Statement of revenues and expenses or similar documentation

- Financial Report entered in Connecticut Online Application and Claiming System for Child Nutrition Programs (CNP System)
- Plan to Reduce Excess Operating Balance, if applicable




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Materials Reviewed: Internal Controls

▪ Internal controls to maintain oversight over federal funds, e.g.,

- Training
- Policies
- Physical controls




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Materials Reviewed: Equipment Purchases Documentation

▪ Expenses are

- Necessary
- Allocable
- compliant




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CSDE Webpage

Connecticut Online Application and Claiming System for Child Nutrition Programs (CNP System)

- Financial Report



<https://portal.ct.gov/sde/nutrition/cnp-system>

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Instructions for Submitting the Financial Report for School Nutrition Programs




https://portal.ct.gov/-/media/sde/nutrition/cnpsystem/financial_report_instructions_snp.pdf

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Plan to Reduce Excess Operating Balance for School Nutrition Programs



https://portal.ct.gov/-/media/sde/nutrition/nslp/financialmanagement/plan_reduce_excess_operating_balance_snp.pdf

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Capital Expenditure Approved List for School Food Authority Equipment Purchases



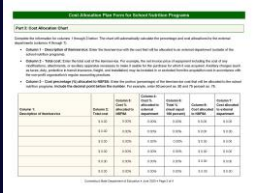
https://portal.ct.gov/-/media/sde/nutrition/nslp/financialmanagement/plan_reduce_excess_operating_balance_snp.pdf

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Cost Allocation Plan for School Nutrition Programs



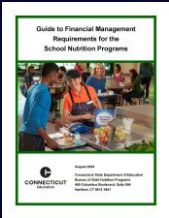
https://portal.ct.gov/-/media/sde/nutrition/nslp/financialmanagement/cost_allocation_plan_form.pdf

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Guide to Financial Management Requirements for the School Nutrition Programs



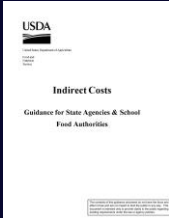
https://portal.ct.gov/-/media/sde/nutrition/nslp/financialmanagement/guide_financial_management_requirements_snp.pdf

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USDA Resource

Indirect Costs: Guidance for State Agencies & School Food Authorities



<https://fns-prod.azureedge.us/sites/default/files/cn/SP60-2016a.pdf>

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Section for Comprehensive Review of NSFSA

■ Resource Management Comprehensive Review Organizational Tool

■ Maintenance of Nonprofit School Food Service Account (NSFSA)

Resource Management Comprehensive Review Organizational Tool

Worksheet of Nonprofit School Food Service Account (NSFSA)

Worksheet Data

Worksheet Instructions

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Section for Comprehensive Review of NSFSA

■ Resource Management Comprehensive Review (RMCR)

■ Maintenance of Nonprofit School Food Service Account (NSFSA)

Answer all Off-site Assessment questions in this section if flagged

Table with 4 columns: Line Item, Description, Amount, and Status. Includes a red arrow pointing to the 'Status' column.

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Comprehensive Review of Nonprogram Foods

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Federal Requirements

■ Subsection 12(q) of Richard B. Russell National School Lunch Act and 7 CFR 210.14(f) requires that SFAs ensure

• All revenue from sale of nonprogram foods accrues to NSFSA

• Revenue available to support production of reimbursable school meals does not subsidize sale of nonprogram foods

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SFAs Must Determine

■ If percent of total revenue generated from nonprogram food sales is equal to or greater than percent of total food costs attributable to SFA's purchase of nonprogram foods

■ For most SFAs, a la carte foods offered during meal service account for largest share of nonprogram foods

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If Costs of Nonprogram Foods = 25% of SFA's Total Food Costs

■ Amount of revenue generated from sale of nonprogram foods must be at least 25% of total revenue in NSFSA


Diagram showing two pie charts. The first pie chart is labeled 'Total revenue' and has a 25% slice shaded. The second pie chart is labeled 'Total food costs' and has a 25% slice shaded. An arrow points from the shaded slice of the first chart to the shaded slice of the second chart, indicating that the revenue from nonprogram foods must be at least 25% of the total food costs.

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Acceptable Methods to Calculate Compliance with Nonprogram Foods

- USDA Nonprogram Food Revenue Tool
- 5-day reference period
- Other: Pricing Worksheet for A La Carte Sales in School Nutrition Programs

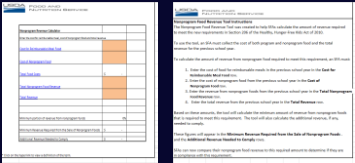


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USDA Resource

Nonprogram Revenue Calculator




https://portal.ct.gov/-/media/sde/nutrition/nsfp/forms/usda_nonprogram_revenue_calculator.xls

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Required Costs/Revenues for USDA Nonprogram Revenue Calculator

- Cost of food for reimbursable meals in previous school year
- Cost of nonprogram food from previous school year
- Revenue from nonprogram foods from previous school year
- Total revenue from previous school year

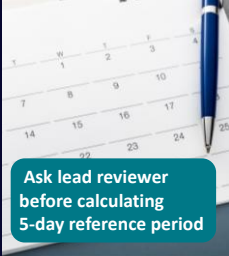


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5-day Reference Period – Not commonly Used in CT

- Simplified approach allowed since 2016
- USDA allows SFAs to use 5-day reference period instead of separating costs for entire year
 - Must still separate nonprogram food costs from program food costs
 - Must be at least 5 consecutive operating days



Ask lead reviewer before calculating 5-day reference period

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Other: Pricing Worksheet for A La Carte Sales

- Some SFAs may offer a limited number of nonprogram food items with an identifiable per serving cost and are not able to accurately perform the assessment

Examples


- Milk is the only item sold la carte
- Limited a la carte sales

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When SFAs Offer Limited Number of Nonprogram Food Items

- Could be charging full cost for nonprogram foods offered **but**
- Due to small number of these items in relation to total revenue and cost, the assessment may overestimate the required increase



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When SFAs Offer Limited Number of Nonprogram Food Items, continued

- CSDE may review these SFAs and determine that compliance assessment does not fully represent SFA's pricing practice
- May base compliance on whether SFA is recovering more than the per-serving food cost of these nonprogram items




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Pricing Worksheet for A La Carte Sales in the School Nutrition Programs




https://portal.ct.gov/-/media/sde/nutrition/nslp/forms/usda_nonprogram_revenue_calculator.xls

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USDA Memo SP 20-2016: Nonprofit School Food Service Account Nonprogram Food Revenue Requirements




<https://www.fns.usda.gov/cn/nonprofit-school-food-service-account-nonprogram-food-revenue-requirements>

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Catering/School Events and Adult Meals



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Catering/School Events

- Did SFA provide foods/beverages to
 - internal school departments, officials, events, meetings
 - external organizations




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Catering/School Events, continued

- Review SFA's invoices for foods/beverages provided to internal/external organizations
 - Must include documentation that invoices were paid in full to NSFSFA



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Adult Meals

- CSDE must review SFA's price for adult meals
 - Must be priced sufficiently to cover overall cost of meals




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Nonprogram Pricing Worksheets for Adult Meals

- Worksheet 1: Pricing of Adult Meals in School Nutrition Programs
- Worksheet 2: Pricing of Adult Meals in Community Eligibility Provision (CEP) Schools




https://portal.ct.gov/-/media/sde/nutrition/nslp/forms/nonprogram_pricing_adult_meals_introduction.pdf

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Section for Comprehensive Review Revenue From Nonprogram Foods

- Resource Management Comprehensive Review Organizational Tool
 - Non-Program Food Revenues and Costs




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Section for Comprehensive Review Revenue From Nonprogram Foods


- Resource Management Comprehensive Review (RMCR)
 - Non-Program Food Revenues and Costs



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Comprehensive Review of Paid Lunch Equity (PLE)




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Purpose of PLE

- To ensure paid lunch prices cover true cost of meals so reimbursements from free and reduced-price lunches do not keep paid price artificially low




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Which SFAs Must Review PLE

- All schools with pricing programs that participate in National School Lunch Program
- During AR, CSDE must ensure that SFAs comply with requirements for pricing paid lunches




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How SFAs Comply with PLE

- Compare regular USDA reimbursement rates of free lunches and paid lunches to determine suggested cost of paid lunch
 - \$4.01 for SY 2024-25




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When PLE is Not Required

- If documented weighted average student lunch price for SY 2024-25 is at least \$4.01
- SFA not required to
 - complete PLE tool
 - request PLE exemption for SY 2025-26




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USDA Develops PLE Tool Annually

- SFAs use to determine compliance with PLE




<https://portal.ct.gov/sde/nutrition/financial-management-for-school-nutrition-programs/paid-lunch-equity>

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Operational Memorandum No. 10-25: Paid Lunch Equity Guidance for School Year 2025-26




<https://portal.ct.gov/-/media/sde/nutrition/nslp/memos/om2025/om10-25.pdf>

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SFAs Qualifying for SY 2025-26 PLE Exemption

- Positive or zero balance in NSFSA as of June 30, 2024
 - Must still use current student price or establish new paid lunch price
 - Must submit PLE Exemption Request (was due June 30, 2025)




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If Positive/Zero NSFSA Balance and SFA Did Not Request Exemption by June 30, 2025

- Must establish prices for paid lunches according to PLE provisions
- Must complete 2025-26 PLE tool




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Section for Comprehensive Review of PLE

- Resource Management Comprehensive Review Organizational Tool
 - Paid Lunch Equity (PLE)

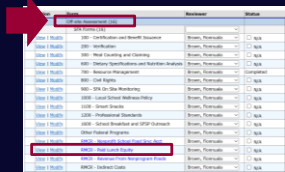


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Section for Comprehensive Review of PLE

- Resource Management Comprehensive Review (RMCR)
 - Paid Lunch Equity (PLE) Answer all Off-site Assessment questions in this section if flagged



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Comprehensive Review of Indirect Cost



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CSDE Will Review

- SFA's Indirect Cost Rate Agreement (ICRA)
- SFA's Statement of Revenues and Expenses listing revenues and expenditures by category
- Documentation of indirect cost rate used by SFA
- Documentation of direct cost base dollar amount used
- Calculation used to obtain amount of indirect costs charged to SFA

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Section for Comprehensive Review of Indirect Cost

- Resource Management Comprehensive Review Organizational Tool
 - Indirect Cost



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Questions

Thank you

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