

# CDE 5

# Child Nutrition Report

# Components of CDE 5

## Chart of Accounts

**Revenue**

**Expenses/Expenditures – Object codes**

**Indirect Cost**

**Balance Sheet Codes**

**Net Cash Resources/Current Operating Resources**

**7 CFR 210.14(b)**

**State Board Rule test**

**1 CCR 301-3, 206.05**

**See CDE 5 Handout – line # references relate to this handout.**

# Chart of Accounts

- What is the Chart of Accounts and where can I find it.....Public School Finance page
  - <http://sites.cde.state.co.us/cdefinance/sfCOA.htm>
- Account code elements (account string) that is established for uniform and consistent reporting of financial data by school districts
  - **Bolded codes** are the minimum required reporting level
- Food Service Fund is Fund 51, Program code 3100 – required if SFA received Federal Food Service Reimbursements.

# Chart of Accounts, cont'd

- All districts are required to use the Chart of Accounts (COA) for financial reporting to CDE
  - Charter SFAs have specific required codes to use
    - Follow Appendix U in the COA
- Accurate use of coding = a more accurate and useful CDE 5 report
- Work with your business officials to ensure meaningful and accurate data is provided to CDE

# Revenue

- Starting at line 1 – top of page 1 of CDE 5 report
- The more grants a district participates in the more columns you will have across your CDE 5 report
- Revenue is categorized by source such as state, local, federal, and other
- State and Federal grants have grant codes assigned to them. Other - normally reports a grant code of **0000**

# Local Revenue

- **1600** – Non-Program, non-reimbursable food service revenue
  - All 1600 series excluding 1610-1619
- **1610** – Reimbursable Food Service Revenue
  - 1610-1619
- Other local sources may be reported
  - **1920** – Local donations, can be assigned a local grant code, would be reported under Other Grants on CDE 5  
Question to ask – is the donation related to reimbursement food program?
  - **1500** – Earnings from investments

# State Revenue

- **3000** – State revenue provided by CDE
  - State revenue needs to be connected to a valid grant code when reported to CDE
  - The following are three of the current state grants provided by CDE

State Matching Child Nutrition	<b>3161</b>
Start Smart Nutrition	<b>3164</b>
Child Nutrition: School Lunch Protection Program: Free and Reduced for Pre-K through 2nd Grade	<b>3169</b>

# Federal Revenue

- **4000** – Federal revenue
  - Federal revenue needs to be connected to a valid grant code when reported to CDE, see chart below
  - All Federal grants also have Catalog of Federal Domestic Assistance number (CFDA#) that is used to identify federal regulations connected to the grant

<u>Grant or Contract Title</u>	<u>CFDA#</u>	<u>Grant/Project</u>
<b>School Breakfast Program</b>	10.553	<b>4553</b>
<b>National School Lunch Program</b>	10.555	<b>4555</b>
<b>After School Snack Program</b>	10.555	<b>4555</b>
<b>Special Milk Program for Children</b>	10.556	<b>4556</b>
<b>Summer Food Service Program for Children</b>	10.559	<b>4559</b>
<b>Federal Fresh Fruit &amp; Vegetable Program</b>	10.582	<b>4582</b>



# Federal Revenue, cont'd

- Based on discussions with USDA – the Farm to School grant program should NOT be reported within the nonprofit food service account – which is the Food Service Fund – Fund 51
- Should be tracked in the Grant Fund or in the District's General Fund
- This is due to such grants only being allowed to use the restricted indirect cost rate and not the non-restricted rate.

# Federal Revenue, cont'd

- **4010** – Federal revenue, USDA Foods (Commodities)
  - 4010 is used due to USDA Foods being provided by Colorado Department of Human Services (CDHS), not CDE
  - The identified USDA Foods should be coded to the 4010, Federal Revenue from Other State or Local Agencies, with the appropriate grant code (4555 NSLP or 4559 SFSP), depending on what program benefited from the USDA Foods (Commodities)

# Other Revenue

- **5210** – Transfers in from General Fund
  - An example is: A transfer from the General Fund to the Food Service Fund is coded as **5251**, and by nature this carries a debit balance; this is a reduction of revenue out of the General Fund. The corresponding Source code in the Food Service fund would be **5210** and carries a credit balance, and is an increase in revenue.
- **5900** – Capital contributions from other funds
  - Example - Building Fund acquired capitalizable equipment for the food service fund

# Expenses/Expenditures

- Starting at line 12 - Expenses/Expenditures will be listed by object code, some examples below
  - There are nine major object categories, each of which is further divided
    - 0100s Salaries
    - 0200s Employee Benefits
    - 0300s Purchased Professional and Technical Services
    - 0400s Purchased Property Services
      - 0425 Laundry Services
      - **0430** Repairs and Maintenance Services
      - 0443 Rental of Vehicles

# Expenses/Expenditures, cont'd

- 0500s Other Purchased Services
  - 0530 Communications
  - 0570 Food Service Management
  - **0580** Travel, Registration, and Entrance
- 0600s Supplies
  - **0630** Food, **0632** USDA Food Fees, **0633** USDA Food
    - These Bolded codes must be used by Fund 51
  - 0631 and 0634-0639 are available for district use, these codes roll to **0630**
  - 0631 if used as non-food; rolls up to **0630** instead 0610 should be used

# Expenses/Expenditures, cont'd

- 0700s Property
  - **0730** Equipment (initial and replacement items, such as machinery, furniture, fixtures, etc)
    - Should not be reported as an expense in an Enterprise Fund, should be capitalized on the Balance Sheet, such as **8241**
  - **0735** Non-Capital Equipment (classified as equipment, but costing less the district policy for capital assets inventory)
  - **0740** Depreciation (portion of the cost of a capital asset which is charged as an expense during a particular period)

# Expenses/Expenditures, cont'd

- 0800s Other Objects
  - **0810** Dues and Fees
  - **0868** Overhead Costs and **0869** Indirects Costs (those costs a district incurs that are “shared” across various departments and programs)
    - The **0869** should be used when indirect cost charges are made to a Federal grant program
- 0900s Other Use of Funds
  - Not commonly used by Food Service Fund

# Indirect Costs (IDC)

- Lines 27 & 28
- The CDE 5 will compare state approved non-restricted IDC rate to what was charged to the Food Service fund, **0869** (also seeing **0868**-Overhead Costs being used)
- Line 26
- The IDC rate is applied against the allowable cost base which excludes **0630,0632,0633,0730,0869(0868)**, & any other unallowable activity



# Indirect Costs (IDC), cont'd

- Line 32 comment
- As mentioned before, the CDE 5 is not magical, it assumes there are no direct charging of indirect cost pool items nor other unallowed costs, therefore if the district is engaged in these activities manual adjustments will need to be made to the calculations on the CDE 5
  - Indirect Cost Pool items used to determine rate:
    - Program codes 2300s, 2500s, 2600s, 2800-2809, 2815, 2899, 2900s

# Balance Sheet Codes

- **Starting at Line 33 - Used to calculate program's fund balance and net cash resources, some examples below**
  - **Current Assets**
    - **8101** Cash in bank
    - **8111** Investments
    - **8131** *Interfund loans receivable* and **8132** *Interfund accounts receivable*
  - **Capital Assets**
    - **8241** Machinery and equipment
    - **8242** Accumulated depreciation on machinery and equipment

# Balance Sheet Codes, cont'd

- **Current Liabilities**

- **7401** *Interfund loan payable and 7402 Interfund accounts payable*
- **7421** Accounts payable
- **7461** Accrued salaries and benefits

- **Long-Term Liabilities**

- **7521** Loans payable
- **7541** Compensated absences
  
- The audit presentation will split the reporting of some liabilities between current (74XX) and long-term (75XX)

# Net Cash Resources/Current Operating Resources (COR)

- Line 40
- 7 CFR 210.14(b) - The school food authority shall limit its net cash resources to an amount that does not exceed 3 months average expenditures for its nonprofit school food service
- Current Assets – Current Liabilities = Net Cash Resources, COR

\$ _____	Current Assets (No capital assets, adding 8100, 8101-8104, 8111-8112, 8113, 8114-8115, 8131, 8132, 8141, 8142, 8151-8154, 8171-8172, 8181, 8182, 8191, 8192, 8199)
- \$ _____	Current Liabilities (No long-term included; subtracting Codes 7401, 7402, 7411, 7421, 7422, 7423, 7431, 7461, 7471, 7472, 7473, 7481, 7482, 7491, 7499)
\$ _____	Net Cash Resources

# Net Cash Resources/Current Operating Resources (COR), cont'd

- Line 48
- Federal Regulation test
  - 3 month average of expenditures = (total expenses/expenditures divided by 9 months) x 3

\$ _____	3 month Average Expenditures
- \$ _____	Net Cash Resources
<u>\$ _____</u>	<i>If number is positive, SFA has exceeded Operating Resource Threshold</i>

# State Board Rule

- Line 44
- 1 CCR 301-3, 206.05
  - Under no circumstances may the amount recovered cause the Current Operating Resources to fall below a level of 30 percent of the total operating cost from the prior school year's financial data as reported to CDE

\$ _____	30% of Current Operating Resources for allowability for indirect charges
- \$ _____	Net Cash Resources
<b>\$ _____</b>	<b>If number is negative, SFA is below threshold and indirect charges shall not be charged</b>

- As mentioned before if the district is direct charging indirect cost pool items, manual adjustments must be made to determine applicable threshold levels for such district

# Questions

