



**COLORADO**  
Department of Education

School Nutrition  
1580 Logan, Suite 760  
Denver, CO 80203

Federal regulations (7 CFR 210.19(a)(1)) require state agencies to monitor the level of net cash resources (formally referenced as current operating resources) in a districts' food service fund. These regulations specifically require that the level of net cash resources not exceed three months average expenditures, as reported in the food service fund.

State rules (1 CCR 301-11-3.03(8)) clarify that the three months average expenditures is based upon a nine-month operating year.

Net cash resources is defined as current assets (not including inventories, nor prepaid items) less current liabilities as of fiscal yearend.

<b>Net Cash Resources Calculation</b>	
Current Assets codes: 8100, 8101-8104, 8111-8112, 8113, 8114- 8115, 8131, 8132, 8141, 8142, 8151-8154, 8191, 8192, 8199	Current Liabilities codes: 7401, 7402, 7411, 7421, 7422, 7423, 7431, 7461, 7471, 7472, 7473, 7481, 7482, 7491, 7499

**Action Steps:**

- At fiscal yearend, use the above assets and liabilities codes to complete the following:
  - $\text{Current Assets} - \text{Current Liabilities} = \text{Net Cash Resources}$
  - $(\text{Total Expenditures} / 9 \text{ months}) \times 3 \text{ months} = \text{Three-Month Average Expenditures}$
- Respond with a detailed current spending plan to reduce the resources in excess. Please use the spending plan template included.
- It is recommended to submit spending plans or updates at the beginning of each subsequent school year, email plans to [shaw\\_l@cde.state.co.us](mailto:shaw_l@cde.state.co.us).

This plan could include improving the quality of meals or the purchase/replacement of food service equipment, but is not limited to these items. The funds must be used for the support of the food service program pursuant to federal and state rules and regulations, including the Colorado Department of Education (CDE) approved equipment list or decision tree process.

If you have questions or need assistance, please contact Lyza Shaw, [shaw\\_l@cde.state.co.us](mailto:shaw_l@cde.state.co.us) or by phone, 303-866-6670.

School Food Authority (SFA): \_\_\_\_\_

Date: \_\_\_\_/\_\_\_\_/\_\_\_\_

School Year: \_\_\_\_\_

Net Cash Resources	\$
Three-Month Average Expenditures	-\$
<b>Excess Net Cash Resources</b>	<b>\$</b>

**Description of allowable expenditure(s):**

<u>Description of activity</u>	<u>Unit(s)</u>	<u>Estimated Cost</u>	<u>Time frame</u>
<b>TOTAL</b>			

**Please provide a short narrative of how the above expenses are benefiting the School Nutrition Program(s):**

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Signature of SFA:

Date:

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Signature of Authorized CDE Representative:

Date: