What Are Excess Funds?

Excess funds are funds leftover when a sponsor receives more reimbursement money than they spend on allowable costs of the program. Sponsors must use excess funds in a way that benefits the food service of the Summer Food Service Program (SFSP) or other Child Nutrition Programs (CNP) operated by the sponsor. For example, if a sponsor receives $2,000 in reimbursement and the total cost to operate and administer the program is $1,500, the positive balance of $500 is considered excess funds.

How Can Excess Funds Be Used In The SFSP?

Allowable Uses for Excess Funds:

- Be used as start-up funds for the next program year
- Be used to purchase items that are allowable costs
- Be used to improve the food service in the next program year
  - Purchase higher quality foods
    - Fresh fruits and vegetables
    - Lean meats
    - Whole grain-rich products
    - Unprocessed cheeses
  - Hire additional staff to conduct more frequent monitoring visits
- Be used in a way that directly benefits the children being served
  - Purchase salad bars
  - Cost of gas for mobile vehicle
- Be returned to the CDE if the organization does not participate in any other CNPs and will not operate the SFSP the following year

Unallowable Uses for Excess Funds:

- Cannot transfer excess funds to non-program operations
- May not be used to increase salary or fringe benefit costs
- May not be used for capital expenditures
  - Vehicle
  - Acquisition of land or construction of buildings or facilities
- Cannot be used for entertainment and fundraising costs
- Cannot be used for site activities
  - Recreation equipment
  - Arts and crafts
- Cannot carry over the excess fund balance year to year to a point where the balance is excessive

Additional Resources

CDE School Nutrition Financial webpage: [http://www.cde.state.co.us/nutrition/nutritionfinancial](http://www.cde.state.co.us/nutrition/nutritionfinancial)
SFSP Financial Management Resources: [http://www.cde.state.co.us/nutrition/summerfoodserviceprogramrequirements#financialmanagement](http://www.cde.state.co.us/nutrition/summerfoodserviceprogramrequirements#financialmanagement)