

Excess Funds Tip Sheet

Summer Food Service Program



COLORADO
Department of Education
School Nutrition

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

Administrative Guide for Sponsors: <https://fns-prod.azureedge.net/sites/default/files/sfsp/AdminGuideSponsors.pdf>

CDE School Nutrition Financial webpage: <http://www.cde.state.co.us/nutrition/nutritionfinancial>

SFSP Financial Management Resources:

<http://www.cde.state.co.us/nutrition/summerfoodserviceprogramrequirements#financialmanagement>

This institution is an equal opportunity provider.