



COLORADO DEPARTMENT OF EDUCATION

201 East Colfax Avenue [Central Office 303.866.6600]
Denver, Colorado 80203-1704 • www.cde.state.co.us

William J. Moloney
Commissioner of Education

Roscoe Davidson
Deputy Commissioner

MEMORANDUM

CN03-G-001

TO: Food Service Directors
FROM: Dan McMillan, Director, Nutrition and Transportation
DATE: October 7, 2002
SUBJECT: New Chart of Account Codes, USDA Donated Food

The Food Distribution Unit of the Department of Human Services implemented Phase 1 of a provision that relaxes inventory requirements for USDA Donated Food ("Commodities"), among other provisions (refer to their memo of October 26, 2001, attached). As the 2001-02 school year was well underway when this decision was made, CDE elected to make the account code changes effective as Phase 2 of this implementation, beginning with the 2002-03 school year.

Districts now have the option of no longer maintaining a separate inventory of USDA Donated Food. As a result, Chart of Accounts instructions have been modified accordingly.

Source Code

The value of USDA Donated Food received must reflect both a source code of **4000** (or 4550), and a grant/project code of **4550** (required for the Food Service Fund).

Object Code

0630 -- Food

This code is used for purchased food and milk. This will also include any costs to process USDA Donated Food into alternate end products through commodity processing contracts.

0632 – Commodity Fees

This is a new bolded code that is to be used for fees associated with USDA Donated Foods acquisition. This would include delivery fees from

0632 – Commodity Fees (cont.)

the distributor, administrative fees for CDHS, and commodity storage fees. Commodity processing fees are to be coded as Food (0630, see above).

0633 -- Commodities

Whether or not you choose to inventory USDA Donated Foods separately, this code must be used to record the value of USDA Donated Foods. These amounts may be expensed as they are received throughout the year, or at the end of the year on a one-time, annualized basis.

This change in codes will be reflected in revisions to the Chart of Accounts manual by the School Finance Unit.

If you have any questions, please contact me or Herminia Vigil at 303.866.6661, or 888.245.6092 outside of the Denver Metro area.