

PART 17

SCHOOL LUNCH

SCHOOL LUNCH PROGRAM (SCHOOL FOOD AND NUTRITION PROGRAM)

An accounting system and the necessary forms for its maintenance are prescribed by the State Board of Accounts. If these forms are properly maintained for your program, you will have little difficulty obtaining the information needed to prepare monthly federal reimbursement claims, quarterly financial reports, etc.

Effective internal controls of cash receipts and meals served are built into the system by using one of several methods. The methods are the use of properly maintained and approved class rosters, prenumbered meal tickets, and cash registers. Computerized cash systems could be used after submission and review by the State Board of Accounts. All cash register systems must be equipped with identification keys to indicate (1) paid student meals, (2) reduced price student meals, (3) free student meals, (4) adult meals, (5) a la carte sales and other additional categories the school corporation may wish to identify that may be required by the accounting system. The register must have locked-in audit tapes and non-resettable totals for each category. If any type of cash register system is used, the cashier is accountable for the cash registered on that machine when it is totaled and checked out.

If meal tickets are used, the tickets are issued to each ticket seller in prenumbered blocks. Each ticket seller is charged with the value of the tickets issued and must either turn in money or unused tickets to discharge his liability. A receipt must be issued to each ticket seller for the money deposited with the charter school. If a daily ticket is used, it is collected at the serving line; however, if the ticket is for multiple days, it is punched at the serving line as that day's meal is served.

All methods to account for the cafeteria operation require that the person responsible for collecting and reporting the money received for meals be different from the person responsible for counting and reporting the number of meals served. Under no circumstances shall all duties be vested in a single individual.

School Food Form SF-2, Daily Record of Cash Received, categorizes cash receipts on a daily basis and must be totaled monthly.

School Food Form SF-2A, Daily Record of Meals/Milk Served, records daily the number of meals/milk served and must be totaled monthly and will be a source of information for preparation of the monthly claim for federal reimbursement.

School Food Form SF-3, Cash Disbursements and Fund Balance, is used to record on a daily basis the disbursements of the School Food Service Program and together with the SF-2 acts as the source information for the calculation of the fund balance as shown on the SF-3. The disbursement categories

Service Area Direction and Food Preparation and Dispensing are defined as:

Service Area Direction. Activities pertaining to directing and managing the food service program for the school corporation.

Food Preparation and Dispensing. Activities concerned with preparing and serving the food and beverages associated with the food service program. This includes operating kitchen equipment, preparing food, cooking, serving food, cleaning and storing dishes and kitchen and lunch room equipment.

Forms SF-1, SF-2, SF-2A, and SF-3 shall be maintained on a daily basis and totaled monthly. These monthly totals are a source of information for preparation of the claim for federal reimbursement, the quarterly financial report, etc.

SCHOOL FOOD VERIFICATIONS OF ELIGIBILITY

We understand situations exist which could be a concern regarding charter schools test-checking the validity of information provided on the applications for free and reduced-priced meals. The results of test checks, are to be reported to the Indiana Department of Education in accordance with 7CFR 245.6(a). Some tests note a very high incidence of errors or inaccurate applications.

An error for purposes of the test-check is an approved application, attempted to be verified that cannot be verified by the program participants with requested income verification information (i.e., paycheck stub, W-2, etc.). Program participants who have an application that cannot be verified are not always dropped from the free and reduced-price meal program and corrections in reporting and additional testing does not always occur.

The State Board of Accounts is of the audit position charter schools shall request a written position from the Indiana Department of Education stating whether the corrective action taken was sufficient or if additional verifications need to be performed when high incidences of errors in test sample verifications are noted. The written communication to the Department of Education must also request a determination if any increases or decreases in funding will result to the charter school because of the concerns noted with the verification process.

SCHOOL FOOD SYSTEMS - PREPAID FOOD

Subsidiary records by student must be routinely reconciled to the cash balance and at month end. The School Food Prescribed Forms and any approved computerized Forms will be required to be maintained in the following manner to accurately account for prepaid items.

A column titled "Prepaid Food" is added to the Daily Record of Cash Received, Form SF-2, for recording prepaid amounts received which have not been identified as to revenue type, i.e., lunch, breakfast, etc. Amounts will be entered both in "Prepaid Food" and "Total Cash Received" for each day because cash has been received.

Another column "Prepaid Food Applied" is also added to Form SF-2, which will show periodic (and monthly) activity whenever prepaid meals are identified (charged to breakfast, lunch, etc.). Amounts in "Prepaid Food Applied" must at all times equal for each day, the amounts charged to various categories, i.e., student lunch, adult breakfast, etc. that were not paid for in cash. Amounts will not be added to "Total Cash Received" because cash has been previously entered and recognized in "Prepaid Food". You are merely transferring "Prepaid Food" to the applicable categories.

The final column added to SF-2 is "Prepaid Food Trust", which is the running balance column which shows the difference between "Prepaid Food" and "Prepaid Food Applied". The amounts in "Prepaid Food Trust" are deducted from the "Balance" column in SF-3 Form, School Food Service Cash Disbursements which then should equal the amount in the new SF-3 Column "Available Cash Balance." Amounts are not entered in "Total Cash Received" because "Prepaid Food Trust" is merely a balance column. Computerized systems must provide a list, by student, of cash balances which should sum to the "Prepaid Food Trust."