

**D8. GROUP 3—SFA DIRECTOR/LEA BUSINESS MANAGER SFA
INDIRECT COST QUESTIONNAIRE – FOLLOW-UP**

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USDA/Food and Nutrition Service School Nutrition and Meal Cost Study SFA Indirect Cost Questionnaire—Follow-Up

The purpose of this questionnaire is to gather information from Business Managers or Chief Financial Officers of public school districts about how indirect costs are applied in the financial reporting for school foodservice. In this questionnaire, you will be asked to provide information on whether and how your school district charged and recovered its indirect costs for School Year (SY) 2014-2015 from the school foodservice account. This study is not an audit or a compliance review.

About the Study. The *School Nutrition and Meal Cost Study* (SNMCS) will continue the long-standing commitment of the US Department of Agriculture's (USDA's) Food and Nutrition Service (FNS) to periodic assessment of the school meal programs. This current assessment coincides with a period of considerable change for the National School Lunch Program (NSLP) and the School Breakfast Program (SBP). In recent years, schools participating in these programs implemented sweeping regulatory changes designed to increase children's access to healthy foods at school and to promote adoption of healthy eating and physical activity habits. While FNS has conducted multiple studies of school nutrition and meal costs to date, SNMCS is the first such study after these major changes were implemented and the first to explore both nutrition and cost on a large national scale. This study will provide critical information of interest to USDA, the States, School Food Authorities (SFAs), and other program stakeholders that is not currently available.

The U.S. Department of Agriculture, Food and Nutrition Service, has contracted with Mathematica Policy Research and its research partners Abt Associates, Agralytica, and Relyon Media to conduct the SNMCS for SY 2014-2015. Participation in the study by selected states, districts, and schools is required under Section 305 of the Healthy, Hunger-Free Kids Act of 2010 (HHFKA).

SNMCS will collect a broad range of data from nationally representative samples of public SFAs, schools, and students and their parents during SY 2014-2015. These data will provide Federal, State, and local policymakers with needed information about how federally sponsored school meal programs are operating after implementation of the new meal pattern and nutrient requirements and other changes in regulations. Comparisons of results from SNMCS with previous School Nutrition and Dietary Assessment (SNDA) and School Lunch and Breakfast Cost (SLBC) studies will provide information to assess the effects of the new nutrition standards on foodservice operations, the nutrient content of school meals offered and as served, meal costs and revenues, and student participation and dietary intake.

Protecting Privacy. All information gathered from school districts, schools, and households is for research purposes only and will be kept private to the full extent allowed by law. Responses will be grouped with those of other study participants, and no individual schools, districts, or students will be identified. We will inform parents of the study and our privacy practices. Any selected parent or student can choose not to participate in the study. We are not conducting audits or monitoring visits. Participation in the study will not affect meal reimbursements to participating districts and schools or school meal program benefits to participating households.

DEFINITIONS USED IN THIS SURVEY

Accounting, budget, finance, and payroll includes tasks to process payments to and from the school district, maintain financial records, manage cash, and produce financial reports.

Administration of personnel, benefits, and human resources includes recruiting, hiring, enrollment/disenrollment in benefit plans, and other human resource (HR) administration functions. This does not include the costs of non-HR personnel or the cost of employee benefits (health/dental insurance, pension/retirement, tuition assistance, etc.).

Allocation is the process of assigning indirect costs to particular programs and other cost objectives, such that each program bears a portion of the indirect costs commensurate with the benefit received from that cost.

Building operations and maintenance means services of this type not provided by custodial/janitorial staff, particularly more skilled services (such as heating/ventilation/air conditioning maintenance or repair).

Business Manager is the official who is responsible for your school district's procedures regarding indirect costs for school foodservice and other programs. In some school districts the Business Manager is the Chief Financial Officer (CFO).

Calculating indirect costs for school foodservice means that the school district applies its indirect cost rate or other method to determine the indirect cost that is attributable to school foodservice for a specified period such as the fiscal year. Indirect costs must be calculated before they can be charged and recovered.

Charging indirect costs for school foodservice means that indirect cost is recorded as an expense on the financial statement for the school foodservice account. Indirect costs may be charged but not recovered if the school district decides not to transfer funds equal to the costs charged from the school foodservice account to the general fund.

Custodial and janitorial means routine cleaning, storage, setting up/rearranging furniture, and other work performed by staff or contractors whose primary work is routine cleaning, storage, and setting up/rearranging furniture.

Data processing operations and programming includes all support for mainframe, server, and client computers, and for communications networks (voice and data).

Direct cost base is the total cost of foodservice in SY2014-2015, less any amounts excluded when calculating indirect costs (e.g., capital outlays).

Equipment and vehicle operations and maintenance includes management of motor pools, routine maintenance and repair of vehicles, and routine maintenance and report of equipment.

Expendable equipment means equipment purchases treated as an annual operating expense; not a capital expense, under Federal and State rules.

Final rate is an indirect cost rate based on the actual allowable costs of a specified period. A final, audited rate is not subject to adjustment.

Full indirect cost of a grant or program is the amount of indirect cost determined by applying the appropriate method for determining the grant or program's share of the school district's indirect costs. For an school district that uses indirect cost rates, the full indirect cost is equal to applicable indirect cost rate times the base of direct costs for the grant or program.

General administration and policy includes the Superintendent and other administration not listed elsewhere.

Indirect costs are costs incurred for the benefit of multiple programs, functions, or other cost objectives and therefore cannot be identified readily and specifically with a particular program or other cost objective. They typically support administrative overhead functions such as fringe benefits, accounting, payroll,

purchasing, facilities management, utilities, etc. (from *Indirect Costs: Guidance for State Agencies & School Food Authorities*)

Indirect cost allocation plans define how indirect costs will be allocated and the method or methods to be used to allocate indirect costs.

Indirect cost rate is calculated as:

Indirect Cost Rate = Total Indirect Costs ÷ Total Direct Costs

Note: Certain costs may be excluded from indirect or direct costs according to applicable Federal and State rules for computing and claiming indirect costs.

Indirect cost rate agreement between the SEA and the school district is the documented and approved indirect cost rate plan and includes the current and approved indirect cost rate (or other allocation method) and the corresponding direct cost base.

Medical/health services and supplies refers to school-based health services such as a school nurse, traditional first aid, administration of medications, screening services (vision, hearing, counseling, mental health services, etc.).

Not Final Rate is an indirect cost rate that is subject to adjustment or revision. An example of a not final rate is a provisional rate. A provisional rate is a temporary indirect cost rate applicable to a specified period which is used for funding, interim reimbursement, and reporting indirect costs on Federal awards pending the establishment of a “final” rate for that period.

Programs are activities or services, such as instruction and school foodservice that have identifiable direct costs. These direct costs may be charged to grants or other special-purpose accounts, or to the school district's general fund.

Providing and maintaining uniforms includes obtaining, distributing, and cleaning uniforms for school district personnel.

Purchasing and contracting includes solicitation and review of bids for purchases and contracts, preparation and negotiation of purchasing agreements and contracts, processing purchase requests and purchase orders, and managing contracts (other than processing of contractor invoices).

Recovery of indirect costs means that funds are transferred, from the school foodservice account and other programs and grants, to the school district general fund, in payment of indirect costs.

Refuse disposal, pest control, other sanitation refers to when these services are not performed as part of “custodial and janitorial” or “building operation and maintenance” services.

Restricted indirect rates (restricted rates) are used for grants, such as Title I, with a requirement that Federal funds supplement, not supplant non-Federal funds.

School board includes salaries or other compensation to board members, and support staff assigned to school board.

Security includes tasks to ensure the safety of students, school district personnel, and school district property.

Storage and transportation of goods refers to when these services are not performed as part of “custodial and janitorial” or “building operation and maintenance” services.

Unrestricted indirect rates (unrestricted rates) may be used when a requirement that Federal funds supplement, not supplant non-Federal funds, does not apply.

PART 1 –RESPONDENT INFORMATION

1. Please provide your contact information.

Name: _____
Title: _____
School district/Agency: _____
Address: _____
City: _____
State: _____
Zip Code: _____
Telephone Number: _____
E-mail: _____

- 2a. Did you serve as your school district's Business Manager or Chief Financial Officer during School Year (SY) 2014-2015?

- Yes [Go to Question 3a]
 No
 Don't know

- 2b. Are you familiar with your school district's financial reports for the school foodservice account for SY2014-2015?

- Yes [Go to Question 3a.]
 No
 Don't know

- 2c. Please provide the contact information for the person who is most familiar with your school district's financial reports for the school foodservice account for SY2014-2015.

Name: _____
Title: _____
School district/Agency: _____
Telephone Number: _____
E-mail: _____

- Don't know [Go to end of questionnaire]

PART 2 – CALCULATION OF INDIRECT COSTS FOR SCHOOL FOODSERVICE

This section asks about the calculation of the indirect cost of school foodservice according to the method (if any) that your school district used to allocate indirect costs for SY2014-2015.

- 3a. Has your school district **calculated** or does it plan to calculate indirect costs for the school foodservice account for SY2014-2015?

An school district may **calculate** indirect costs even if it does not plan to **charge** or **recover** them.

- School district has calculated foodservice indirect costs *[Go to Question 4a.]*
 School district has not yet calculated foodservice indirect costs but plans to do so *[Go to Question 4a.]*
 School district will not calculate foodservice indirect costs
 Have not decided yet *[Go to Part 3, which starts with Question 5a.]*
 Don't know *[Go to Question 4a.]*

- 3b. What are the reasons why your school district will not **calculate** indirect costs for the school foodservice account for SY2014-2015?

(Check all that apply.)

- School district has no method to calculate indirect costs for school foodservice
 School district does not **charge** indirect costs to any grant or program
 School district never **charges** the school foodservice account for indirect costs
 School district did not know it was possible to **charge** indirect costs to the school foodservice account
 The school foodservice account has insufficient funds
 School district chose to bear the costs
 School district uses a foodservice management company (FSMC) and contract does not provide for recovery of indirect costs
 School district was directed by State or another agency not to calculate indirect costs for school foodservice *(Provide name of agency)*

 Don't know
 Other *(Describe.)*

[GO TO END OF SURVEY.]

4a. Did or will your school district exclude any direct costs from the foodservice **direct cost base** when it calculates indirect costs for school foodservice for SY2014-2015?

Examples of costs that might be excluded from the direct cost base are costs that are unallowable under Federal rules and any costs that you are instructed by your State to exclude when computing foodservice indirect costs (such as capital expenditures).

- Yes
- No *[Go to Question 4c.]*
- This amount has not yet been determined *[Go to Question 4c.]*
- Don't know

4b. What is the total **direct cost base** that you used or plan to use for calculating the school foodservice indirect cost for SY2014-2015?

\$ _____

- This amount has not yet been determined
- Don't know

4c. Please check which indirect cost rate(s) your school district used or plans to use to calculate the SY2014-2015 indirect costs for foodservice and confirm these rates.

(Interviewer: pre-fill rate(s) from SFA Indirect Cost On-Site Questionnaire and check all that apply.)

- Restricted rate _____ %
 - Unrestricted rate _____ %
 - Unknown type of rate _____ %
 - Other rate *(Specify and describe.)* _____ %
-

- This rate has not yet been determined
- Don't know

4d. What amount of indirect costs was or will be **charged** to the school foodservice account for SY2014-2015?

This is the amount of indirect costs shown on the expense statement for the school foodservice account. The indirect cost **charged** may be different from the amount of indirect costs **calculated** by applying the indirect cost rate to the direct cost base, or from the amount **recovered** by the school district.

Enter 0 (zero) if no indirect costs were or will be charged to the school foodservice account for SY2014-2015.

\$ _____ *[If 0, go to Question 4g.]*

- This amount has not yet been determined
- Don't know

4e. Do the indirect costs that were or will be charged to the school foodservice account for SY2014-2015 include indirect costs for one or more previous years?

- Yes
- No [Go to Part 3, which starts with Question 5a.]
- Don't know [Go to Part 3, which starts with Question 5a.]
- School district has not yet decided [Go to Part 3, which starts with Question 5a.]

4f. What amount of indirect costs for one or more previous years was or will be charged to the school foodservice account for SY2014-2015?

\$ _____

- This amount has not yet been determined
- Don't know

[Go to 5a]

4g. What are the reasons why your school district will not **charge** indirect costs to the school foodservice account for SY2014-2015?

(Check all that apply.)

- School district has no method to calculate indirect costs for school foodservice
- School district does not **charge** indirect costs to any grant or program
- School district never **charges** the school foodservice account for indirect costs
- School district did not know it was possible to **charge** indirect costs to the school foodservice account
- The school foodservice account has insufficient funds
- School district chose to bear the costs
- School district uses a foodservice management company (FSMC) and contract does not provide for recovery of indirect costs
- School district was directed by State or another agency not to calculate indirect costs for school foodservice (Provide name of agency)

- Don't know
- Other (Describe.)

[GO TO END OF QUESTIONNAIRE.]

PART 3 –RECOVERY OF INDIRECT COST FOR SCHOOL FOODSERVICE

This section asks about the recovery of the indirect cost of school foodservice according to the method (if any) that your school district used to calculate indirect costs for SY2014-2015.

5a. Has your school district **recovered any** indirect costs, or does it plan to recover any indirect costs, from the school foodservice account for SY2014-2015?

- School district has recovered indirect costs for school foodservice for SY2014-2015
- School district plans to recover indirect costs for school foodservice for SY2014-2015
- School district will not recover indirect costs for school foodservice for SY2014-2015
[Go to Question 5d.]
- School district has not yet decided *[Go to end of questionnaire.]*
- Don't know *[Go to end of questionnaire.]*

5b. Is the amount of indirect costs that your school district has **recovered** or plans to recover more than, equal to, or less than the amount of indirect costs charged to the school foodservice account for SY2014-2015 (as reported in Q.4d)?

(Check one.)

- Amount recovered is more than amount charged
- Amount recovered equals amount charged *[Go to end of questionnaire.]*
- Amount recovered is less than amount charged
- School district has not yet decided *[Go to end of questionnaire.]*
- Don't know *[Go to end of questionnaire.]*

5c. What amount of indirect costs was or will be **recovered from** the school foodservice account for SY2014-2015?

This is the amount of funds transferred from the school foodservice account to the school district's general fund to cover the indirect costs incurred by the school district in support of school foodservice.

\$ _____

[If Q5b = "Amount recovered is more than amount charged", go to Question 5e.]

5d. What are the reasons why your school district did not, or will not, **recover** (any/all) of the indirect costs charged to the school foodservice account for SY2014-2015?

(Check all that apply.)

- School district does not recover indirect costs from any grant or program
 - School district never recovers indirect costs from the school foodservice account
 - School district did not know it was possible to recover indirect costs from school foodservice
 - The school foodservice account has insufficient funds
 - School district chose to bear the costs
 - School district uses a foodservice management company (FSMC) and contract does not provide for recovery of indirect costs
 - School district was directed by State or another agency to recover less than the calculated indirect cost *(Provide name of agency.)*
- _____
- Don't know
 - Other *(Describe.)*
- _____
- _____

[Go to end of questionnaire]

5e. Why is the amount of indirect cost recovered from the school foodservice account greater than the amount charged?

- Includes indirect cost charged but not recovered in a previous year
 - Includes interest on amount charged
 - Don't know
 - Other *(Describe.)*
- _____
- _____

END OF QUESTIONNAIRE.

Thank you for completing this questionnaire. We may contact you if we have follow-up questions. If you have any questions about the School Nutrition and Meal Cost Study, please contact us at 855-xxx-xxxx (toll-free) or SNMCS@abtassoc.com.

Prepared by Mathematica Policy Research and Abt Associates