

G14. SFA FOLLOW-UP COST INTERVIEW REFERENCE GUIDE (GROUP 3 & FULL AND LIMITED OUTLYING AREAS)

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According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0584-xxxx. This reference guide is used in conjunction with the SFA Follow-up Cost Interview. The time required to complete the interview, while using this guide, is estimated to average 2 hours per response for Group 3 and Full Outlying Area respondents and 1 hour and 45 minutes per response for Limited Outlying Area respondents. This includes the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. All information will be kept private under the Privacy Act to the extent allowed by law. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to: U.S. Department of Agriculture, Food and Nutrition Service, Office of Policy Support, 3101 Park Center Drive, Room 1014, Alexandria, VA 22302, ATTN: PRA (0584-xxxx). Do not return the completed form to this address.

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HANDOUT 1: Expense Categories and Definitions

We will confirm how to map your final SY 2019-2020 expense statement line items to the below categories and record the SY 2019-2020 expenses by category. For more detail about the definitions of each expense category please see the “Expense Category Definitions” section.

EXPENSE CATEGORIES AT A GLANCE

A. LABOR

Salaries and wages:

1. Regular food service employees
2. Other regular district employees
3. Temporary employees

Fringe benefits and payroll taxes:

4. Social security taxes
5. Unemployment compensation
6. Workers' compensation
7. Health insurance
8. Retirement contributions (e.g., pensions)
9. Other benefits (life insurance, disability insurance, sick leave, long term disability, etc.)

B. OTHER DIRECT OPERATING COSTS

Supplies and expendable equipment:

1. Food production supplies and expendable equipment (pans, trays, utensils, etc.)
2. Transportation supplies (gas, grease, oil, tires, etc.)
3. Office supplies and expendable equipment (pens, paper, ink, etc.)
4. Other supplies and expendable equipment (cleaning supplies etc.)

Utilities:

5. Energy (gas, electric)
6. Other utilities (water, sewer)

Rent:

7. Equipment/vehicle rental
8. Storage space rental
9. Other space rental

Contracted services/interagency payments:

10. Professional services
11. Food service management company fees, etc.
12. Repairs and maintenance of equipment
13. Storage
14. Transportation
15. Insurance and bond premiums
16. Other services

Miscellaneous direct operating costs:

17. Communications
18. Travel/miscellaneous

C. EQUIPMENT PURCHASES AND DEPRECIATION COSTS

Equipment purchase:

1. Kitchen equipment
2. Motor vehicles
3. Other equipment

Equipment depreciation:

4. Cafeteria/kitchen
5. Other

D. INDIRECT COSTS

1. Indirect costs for expense period
2. Indirect costs for prior year(s)

Please note that we will also ask for indirect cost *rates* (or indirect cost *allocation plans*) for SY 2019-2020

E. PURCHASED FOODS

1. Purchased food inventory
2. USDA Foods, including discounts and rebates, storage and transportation

EXPENSE CATEGORY DEFINITIONS

A. LABOR: Personnel costs.

- **Salaries and wages:** Includes salaries and wages paid to regular and temporary or contract employees. Does not include fees paid to independent consultants.
- **Fringe benefits and payroll taxes:** Includes the school food service share of the cost of payroll taxes or similar mandatory charges for Social Security, Medicare, Unemployment Compensation, and Workers' Compensation insurance, as well as health insurance, pension or other retirement benefits, life insurance, tuition assistance, dental insurance, staff meal allowances, or other non-cash employee benefits. Also includes the school food service share of.

B. OTHER DIRECT OPERATING COSTS: Direct expenses for food service of an operational (recurring) nature, other than labor and food. Does not include capital outlays, depreciation, or indirect costs.

- **Supplies and expendable equipment:** This category includes all types of supplies (other than food) used for all aspects of food service operations. Expendable equipment includes any type of equipment purchase that may be treated as an expense according to USDA and other applicable rules. Usually this is equipment with a cost below a specified dollar amount (such as \$500).
- **Utilities:** This category includes electricity, heating and cooking fuels, water, and sewer services.
- **Rent:**
 7. **Equipment/vehicle rental:** This category includes expenses for rent of any type of school food service equipment or vehicles.
 8. **Storage space rental:** This category includes expenses for rent of facilities for storing food and food service supplies.
 9. **Other space rental:** This category includes expenses for rent of facilities for food preparation, serving, or food service administration.
- **Contracted services/interagency payments:** This category includes all expenses for contracted or purchased services from private organizations or individuals, and payments to other agencies for specific services charged on a direct cost basis.
 10. **Professional services:** includes services provided by professionals, such as dietary/management consulting, training of staff, legal services, audits, etc.
 11. **Food service management company fees:** includes all payments to food service management companies other than reimbursement of expenses for labor and food. Examples include management or consulting fees, and cost of funds or profit. NOTE: (1) The purchase of complete meals prepared under contract to the SFA ("pre-plated meals") or per-meal charges for meals prepared on-site should also be reported here; (2) If a food service management company bills a single amount to the SFA for all of its services, that amount should be reported here.
 12. **Repairs and maintenance of equipment:** includes repair, maintenance, and associated charges (e.g., parts) for food service equipment used in kitchens, cafeterias, storage facilities, and administrative offices.
 13. **Storage:** fees for storage on a contract basis and associated charges (such as loading/unloading of shipments).
 14. **Transportation:** charges for transportation of food, food service supplies, etc. on a contract basis.
 15. **Insurance and bond premiums:** includes payments for insurance of property and supplies, and liability insurance or bond. Does not include payments for insurance benefits to workers or workers' compensation insurance.
 16. **Other services:** includes services not listed elsewhere, such as data processing, payroll processing, linen or laundry services, extermination, health inspections, etc. conducted on a contract basis.

- **Miscellaneous direct operating costs:**
 - 17. **Communications:** includes telephone, fax, postage, courier services, and other communications costs.
 - 18. **Travel / miscellaneous:** This category includes all other costs directly identified as food service expenses. Examples of costs in this category are: mileage and other travel reimbursements, association memberships, and subscriptions.
- C. EQUIPMENT PURCHASES AND DEPRECIATION COSTS:**
 - **Equipment purchase:** includes expenses for new or replacement equipment items considered capital equipment according to USDA and other applicable rules, based on their useful life and cost. Includes equipment for kitchens, cafeterias, storage facilities, transportation, and administration.
 - **Equipment depreciation:** an annual charge equal to the purchase cost of capital equipment divided by the useful life of the equipment. Usually reported only under accrual accounting.
- D. INDIRECT COSTS:** Costs shared among several SFA programs or functions, such as administrative support, occupancy, general-purpose supplies, and communications. Usually the indirect cost for food service, if reported, is computed by applying a percentage rate to specified types of direct costs, which may exclude food. The indirect cost should be the amount actually charged to the school food service account.
- E. FOOD:** Includes purchased food, donated commodities (a.k.a. USDA Foods), and charges for the transportation, storage, and processing of donated commodities.
 - **Purchased food:** This is the expense for purchased food used by the SFA, including purchased foods that have been made with donated USDA commodities as ingredients.
 - **Value of USDA Foods received:** This is the total USDA-assigned value of USDA donated commodities received by the SFA during SY 2019-2020.
 - **Storage, transportation, and processing fees:** This category includes charges from the State or contractors to the SFA for the transportation, storage, and processing of USDA donated commodities.
 - **Inventory change in value:** The value of inventory of purchased food and donated commodities used or lost during the year, in addition to purchases or receipts.

HANDOUT 2: Revenue Categories

We will confirm how to map your final SY 2019-2020 revenue statement line items to the categories that we have listed below and record the SY 2019-2020 revenue by category.

A. Student Payments

1. TOTAL STUDENT PAYMENTS
2. NSLP lunches
3. SBP Breakfasts
4. NSLP afterschool snacks
5. Other/unspecified student payments (extra student meals, a la carte, etc.)

B. Other sales (excluding meal tax)

1. TOTAL OTHER SALES
2. Adult lunches
3. Adult breakfasts
4. Other/unspecified adult cafeteria sales
5. External sales (catering, senior meals, etc.)
6. Vending machines
7. Other unspecified sales

C. USDA Reimbursements

1. TOTAL USDA REIMBURSEMENTS
2. NSLP lunches
3. SBP Breakfasts
4. NSLP Snacks
5. CACFP afterschool snacks and suppers
6. Fresh Fruit and Vegetable Program
7. Other USDA reimbursements (Summer Food Service Program, Special Milk Program, etc.)

D. State reimbursements/funds

1. TOTAL STATE REIMBURSEMENTS/FUNDS
2. Lunch reimbursements
3. Breakfast reimbursements
4. Other/unspecified State revenues (State match, etc.)

E. Local Reimbursements/Funds transfers

1. TOTAL LOCAL REIMBURSEMENTS/FUNDS TRANSFERS
2. Lunch Reimbursements
3. Breakfast Reimbursements
4. Other local revenue/funds transfers (appropriated funds, transfer to offset loss, etc.)

F. Other Cash Revenue

1. TOTAL OTHER CASH REVENUE
2. Interest on deposits
3. Sale of equipment
4. Compensation for loss
5. Sales tax receipts
6. Rebates or other payments/credits from supplies (includes pouring rights contracts)
7. Other cash revenue (not specified elsewhere)

TC = TOTAL CASH REVENUE (A-F)

G. USDA Foods and Other Donated Commodities

1. TOTAL USDA FOODS AND OTHER DONATED COMMODITIES
2. USDA entitlement foods received and credits*
3. USDA bonus foods**
4. Other donated commodities

*GT = GRAND TOTAL REVENUE (A-G)****

Notes

***Credits** include rebates or other payments received from processors for USDA Foods used to produce processed foods. Do not include discounts on processed foods made with USDA Foods if the price paid is net of the discount for the value of USDA Foods.

****USDA bonus foods** are considered those over and above entitlement foods. They are offered periodically, but only as they become available through agricultural surpluses. They are then offered to States on a fair-share basis, and do not count against a State's regular entitlement dollars.

***The grand total revenue for USDA Foods includes value of USDA Foods received, credit for USDA Foods included on processed foods, and cash in lieu of USDA Foods.

HANDOUT 3: Counts of Reimbursable Lunches and Breakfasts

We will ask you to provide the counts of reimbursable lunches and breakfasts during the interview. Please have the information below ready for the interview.

- Number of reimbursable lunches claimed by SFA in SY 2019-2020

Reimbursement rate	Number of reimbursable lunches claimed by SFA in SY 2019-2020
a. Free	<input type="text"/>
b. Reduced-price	<input type="text"/>
c. Full-price	<input type="text"/>

- Number of reimbursable breakfasts claimed by SFA in SY 2019-2020

Reimbursement rate	Number of reimbursable breakfasts claimed by SFA in SY 2019-2020	
	Regular (not severe need) schools	Severe need schools
a. Free	<input type="text"/>	<input type="text"/>
b. Reduced-price	<input type="text"/>	<input type="text"/>
c. Full-price	<input type="text"/>	<input type="text"/>

- Total amount of money owed to your SFA as a result of unpaid school meals for SY 2019-2020

HANDOUT 4: Indirect Cost Definitions

We will ask about calculating, charging, and recovery of indirect costs. We will ask for the SFA's restricted and unrestricted rates. These three terms and additional terms used in the interview are defined below.

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

Charging indirect costs for school food service means that indirect cost is recorded as an expense on the financial statement for the school food service 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 food service account to the general fund.

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

Additional definitions used in this interview

Direct cost base is the total cost of food service in SY 2019-2020, less any amounts excluded when calculating indirect costs (e.g., capital outlays).

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.

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.

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

Indirect cost allocation plans use factors other than a percentage of direct costs to determine the amount of indirect costs.

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