

Plan for Reducing the Excess Fund Balance of the Nonprofit Food Service Account

School Food Authority (SFA) Name:

Contact Name: Title:

BEDS Code:

The above named SFA hereby submits the following plan to reduce the excess fund balance of the nonprofit food service account. This plan will begin on , 20 and be completed by , 20 .

Excess Funds Available: \$

Plan to Reduce the Excess Fund Balance (include approximate dollar amount for each expense in plan):

Check box if attaching additional letters and/or documentation.

(Signature of Authorized Representative)

(Date)

(OFFICIAL USE ONLY)

APPROVED

DENIED

Signature, Title

Date

Directions for Completing Form

General Information

- **School Food Authority (SFA) Name:** Record the name of the SFA in the designated space.
- **BEDS Code:** Record the 12-digit code assigned to the SFA in the designated space.
- **Address/City State/Zip/Telephone Number:** Record the SFA's complete address and telephone number in the designated space.

Financial Information

- **Plan Beginning Date:** Record the date the SFA anticipates implementing its excess food service fund balance plan by filling in the blanks.
- **Completion Date:** Record the date the SFA anticipates resolving its excess food service fund balance by filling in the blanks.
- **Excess Funds Available:** Input the amount given from your excess fund balance notice letter. For more information about calculating excess funds see <http://www.cn.nysed.gov/content/net-cash-resources-and-excess-fund-balances> .

Description of Plan

- **Briefly Outline Plan:** Use the designated space to provide an explanation of the actions the SFA will take to resolve its excess fund balance. The plan needs to include information on the actions the SFA plans to take to do the following:
 - To reduce the excess operating food service fund balance within one year
 - To improve the quality of food served or purchase needed supplies, service, or equipment¹

Acceptable means of reducing the excess fund balance include:

- Improvements in equipment for the cafeteria such as stoves, ovens, freezers, tables and chairs, refrigerators, milk coolers, cash registers, etc. (see a list of pre-approved equipment <http://www.cn.nysed.gov/content/approval-process-sfa-equipment-purchases>)
Remember to follow proper procurement procedures and capital expenditures or improvement regulations.
- Enhancing the meals by adding foods that allow for more choices and meet meal pattern requirements.
- Marketing and merchandising materials and supplies to promote the breakfast and lunch programs.
- For more information about allowable and unallowable costs see <http://www.cn.nysed.gov/content/general-expenditures-examples-allowable-and-unallowable-costs> .

¹ An excess fund balance of the nonprofit food service account cannot be used to reduce paid student lunch pricing if the paid lunch equity tool requires an increase in prices, nor can it be used to reduce uncollectible paid student lunch accounts.

Please note – in general, nonprofit school food service account funds may not be used for costs that add materially to the value of the school building and related facilities or appreciably prolong their intended life, such as remediation of facility plumbing. Consistent with government-wide requirements for the use of Federal funds, NSLP regulations at 7 CFR 210.14(a) prohibit the use of nonprofit school food service account funds to purchase land or buildings (except with Child Nutrition prior approval) or to construct buildings. The use of nonprofit school food service account funds for capital improvements is therefore prohibited. Costs associated with remediation or repair to a school building (i.e. plumbing, heating, air conditioning) would add to the permanent value of the school building and should therefore be borne by the School Food Authority's general fund.

Signatures

- Have the SFA's authorized representative sign the form in the designated space.
- Print the name of the signer and date signed in the designated space.

Do not write below the double line.