

Child Nutrition Financial Report- External Procedures

The purpose of the Child Nutrition Financial Report (CNFR) is to evaluate the School Food Authorities (SFAs) Nonprofit School Food Service Account (NSFSA). The evaluation determines the SFAs nonprofit status and compliance with the net cash resource limitation to three months average operating expenditures, per federal regulations.

- I. Log in to PEARS. Verify you are in the correct school year (at the top right-hand corner of the page)
- II. Select **Applications, Child Nutrition Financial Report**
- III. Click **Add** to add the financial report

Actions	Version	School Year	Form Available to Update on	Form Closed for Updates on	Status
Add		2019-2020	7/1/2019	12/30/2020	Not on file
View	Original	2018-2019	9/4/2019	5/29/2020	Pending Approval
View	Original	2017-2018	4/10/2019	7/9/2019	Pending Approval
View	Original	2016-2017	7/1/2017	8/25/2018	Approved
View	Original	2015-2016	7/1/2016	5/25/2018	Approved
View	Original	2014-2015	7/1/2014	3/6/2018	Approved
View	Original	2013-2014	7/1/2013	11/23/2016	Approved
View	Original	2012-2013	7/1/2013	11/23/2016	Approved

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- IV. Select **Modify** to add information or data

Actions	Version	School Year	Form Available to Update on	Form Closed for Updates on	Status
View Modify	Original	2019-2020	7/1/2019	12/30/2020	Error
View	Original	2018-2019	9/4/2019	5/29/2020	Pending Approval
View	Original	2017-2018	4/10/2019	7/9/2019	Pending Approval
View	Original	2016-2017	7/1/2017	8/25/2018	Approved
View	Original	2015-2016	7/1/2016	5/25/2018	Approved
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NOTE:

- If the SFA begins entering the financial data and is unable to complete in one session, select **Continue & Save** before exiting. The report will be placed in an **Error** status. This **Error** status will show until all required information is entered, and the report has been submitted for approval. Do **NOT** select **Cancel**.
- Anytime the report is opened for modification, select **Continue & Save**, when exiting the form.
- If **Cancel** is selected the report will go into a **Pending Validation** status. You will need to contact the SA to remove from this status to continuing completing the report.

- V. **Enter contact information**

- VI. Begin to enter the SFAs applicable annual CNFR data for the NSFSA for the period of July 01 – June 30 of the applicable School Year (SY). **NOTE Public Schools:** The CNFR financial data can be found in the Annual Financial Report (AFR) Statement of Revenues, Expenses – Proprietary Funds reports.

- VII. **NET POSITION:**

1. Operating Revenues:

a. Reimbursable Meal Sales	48,881.36
b. Non-Reimbursable Food Sales	22,055.09
c. Catering/Special Function Revenues	2,835.00
d. Sponsor to Sponsor Contract Revenues	96,755.00
e. Other Operating Revenues	78.72
Remarks: Rebates	

2. Total Operating Revenues: 170,605.17

Total Operating Revenues will automatically calculate.
Child Nutrition Financial Report- External Procedures Cont'd:

3. Non-Operating Revenues:

a. Revenue from State Sources	3,121.20
b. Revenue from Federal Sources	39,515.48
c. Grants	0.00
d. Earnings on Investment	305.00
e. USDA Foods	11,027.98
f. Contributions and Donations	5,048.00
g. Other Non-Operating Revenues	28,300.00
Remarks: PSERS reimbursements	

4. Total Non-Operating Revenues: **87,317.66**

Total Non-Operating Revenues will automatically calculate.

5. Total Revenues: 257,922.83

Total Revenues will automatically calculate.

6. Operating Expenses: (Annual)

Direct Costs:

a. Reimbursable Foods Costs	36,267.31
b. Non-Reimbursable Food Costs	765.00
c. SFA Salaries, Wages, and Benefits	37,172.84
d. FSMC Salaries, Wages, and Benefits	127,694.84
e. Catering Salaries, Wages, and Benefits	3,845.00
f. General SNP Supplies	25,779.23
g. Catering and Special Events General Supplies	3,244.14
h. FSMC Administrative Fee	11,756.28
i. FSMC Management Fee	16,040.15
j. Depreciation	1,882.00
k. Value of Commodities Used	2,928.00
l. Equipment Repair and Maintenance	2,098.14
m. Equipment Purchases	0.00
n. Travel	243.00
o. Other Direct Operating Expenses	420.48
Remarks: Dues and Licenses	

Indirect Costs:

p. Electricity	5,960.00
q. Natural Gas	0.00
r. Oil	0.00
s. Water	0.00
t. Sewage	0.00
u. Disposal	0.00
v. Audit Fees	0.00
w. Other Indirect Operating Expenses	0.00

 Remarks: Electricity allocated by square footage.

Child Nutrition Financial Report- External Procedures Cont'd:

7. Total Operating Expenses:	276,096.41
Total Operating Expenses will automatically calculate.	
8. Income (Loss) Before Transfers:	-18,173.58
Income (Loss) Before Transfers will automatically calculate.	
9. Interfund Transfers In:	5,000.00
Remarks: Transfer to support Food Service program	
10. Interfund Transfers Out:	0.00
Remarks:	
11. Change in Net Position:	-13,173.58
12. Net Position - Beginning of Year	12,466.90
13. Net Position - End of Year	-706.68
Change in Net Position: (Income or Loss Before Transfers + Interfund Transfers in Less interfund Transfers Out), will automatically calculate.	
Net Position – Beginning of Year – This is the prior school year Net Position End of Year. When completing the CNFR for the current year, refer to the CNFR from the prior year line 13 to carry forward the Net Position End of Year.	
Net Position – End of Year will automatically calculate.	
14. Net Cash Resources:	
a. Current Assets	223,318.00
b. Current Liabilities	39,646.00
c. Net Cash Resources - End of Year	183,672.00
Current Assets (as of June 30 – end of Year) - The SFA can refer to the AFR for this figure. Inventory must be excluded when reporting the current assets.	
Current Liabilities (as of June 30 – end of Year) - The SFA can refer to the AFR for this figure.	
Net Cash Resources – End of Year will automatically calculate once the current assets and liabilities is entered.	
NOTE: Current assets and liabilities can be found in the Annual Financial Report (AFR), Statement of Net Position – Proprietary Funds reports. Or the Balance Sheet	
15. 3 Months' Average Expenditures:	
a. Adjusted Operating Expenses	271,286.41
b. Average Operating Days	170
c. 60 Days Traditional	60
d. 90 Days Year-Round	0
e. 3 Months' Average Expenditures	82,828.80
3 Month's Average Expenditures – this figure will automatically calculate using the following formula: Total Annual Expense/Total Operation Days x 60 days traditional school or 90 days residential Institutions.	

Child Nutrition Financial Report- External Procedures Cont'd:

16. Excess Net Cash Resources:

- a. Net Cash Resource - End of Year 183,672.00
- b. 3 Months' Average Expenditures 82,828.80
- c. Excess Net Cash Resources 100,843.20

Excess Net Cash Resources: Will automatically fill in figures and calculate Excess Net Cash Resources.

SFAs with Excess Net Cash Resources are required to submit a Corrective Action Plan to spend down the excess cash. Refer to #17.

17. Corrective Action Plan:

17. Corrective Action Plan: Please describe in the box below, a corrective action plan to reduce the excess net cash resources. Some acceptable uses of these funds include, but are not limited to: reducing the prices charged to children, improving food quality and food service operations or purchasing food service equipment

Corrective Action Plans should be sufficiently detailed to enable the Division of Food and Nutrition to Determine:

1. The type, quantity, and unit cost of food service equipment to be purchased.
2. The value of repairs to existing equipment.
3. The value and benefit cost for new food service workers.
4. The value of the reduction of prices charged to students.
5. The projected amounts to be spent to otherwise improve the school food service.

Corrective Action Plan:

VII. Sponsor Certification

- Certify the report is complete and correct by electronic signature and date.

Sponsor Certification

18. I certify that this report is complete and correct according to the record of this office, and that to the best of my knowledge, this administrative unit has complied with all federal and state requirements.

Authorized Signature: Date:

- Click **Continue & Save** once the report has been fully completed

Created By: on: 8/7/2018 8:00:03 AM

Continue & Save Cancel

NOTE: If errors, proceed to VIII. If no errors, skip to IX.

VIII. Errors: The report will not be submitted as complete if there are errors. The SFA can correct or save the report with errors and return later to make corrections. The status of the report on the SNP Financial Report List remain in an Error status. When done correcting errors, provide certification and signature, then select submit.

The Financial Form has been saved with errors.

Information entered is either incomplete or is not in compliance with the Pennsylvania Department of Education rules and regulations. All errors listed on the form must be corrected before the Financial Form can be processed. You may correct the errors now by clicking '< Edit' or you may return to the Financial Form later.

< Edit
Finish

The Financial Form has been saved. The following is a list of rules that have been broken.

Code	Error Description
18704	Contact Information must be provided (Name, Title, Telephone Number and Email address)
18733	Reimbursable Food Costs - Value must be greater than zero.
18724	SFA Salaries, Wages, and Benefits - Value must be greater than zero if FSMC Salaries, Wages, and Benefits equals zero.
18725	FSMC Salaries, Wages, and Benefits - Value must be greater than zero if SFA Salaries, Wages, and Benefits equals zero.
18736	FSMC Salaries, Wages, and Benefits - Must be greater than zero if the question "Will Food Service Management Company Services be purchased?" (Designated on Sponsor Application) equals Yes.
18740	General SNP Supplies - Must be greater than zero.
18739	Certification box must be selected.
18741	Revenue from State Sources - Value must be greater than zero
18742	Revenue from Federal Sources - Value must be greater than zero

Child Nutrition Financial Report- External Procedures Cont'd:

IX. Submit and Finish. The status of the report on the Child Nutrition Financial Report List will enter a **Pending Approval** for the State Agency to review and approval.

Created By: [redacted] on: 9/4/2018 11:16:18 AM Modified By: [redacted] on: 9/4/2018 11:31:14 AM

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View Admin	Original	2017-2018	3/31/2019	3/31/2019	Pending Approval
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View Admin	Original	2015-2016	7/1/2016	5/25/2018	Approved
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Send questions to RA-EDResourceManagement@pa.gov

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1400 Independence Avenue, SW
Washington, D.C. 20250-9410;
 - (2) Fax: (202) 690-7442; or
 - (3) E-mail: program.intake@usda.gov.
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