

Hawaii Child Nutrition Programs

Resource Management

Preparing for the Resource Management (RM) Section of the Administrative Review (AR)

SY 2024-2025

Hawaii Child Nutrition Programs
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Resource Management (Financial)

- ▶ Overall financial health of an SFA's nonprofit school food service
- ▶ Compliance with Federal regulations
- ▶ Effective, efficient and consistent management of program resources
- ▶ Documents all revenues and expenses



Resource Management Review

- ▶ Technical Assistance
- ▶ Corrective Action
- ▶ Fiscal action: Withholding


Review Period

- ▶ Resource Management review period is previous school year (SY 2023-2024).
 - ▶ If noncompliance is found, Reviewers may also review the current school year (SY 24-25)
- ▶ Procurement Review
 - ▶ Same as above





Fiscal Reports

- ▶ Annual Financial Report (AFR) - required for all SFAs
- ▶ Nonprogram Revenue Calculator (NPR) - if applicable
- ▶ Paid Lunch Equity Tool (PLE) - if applicable
- ▶ School Food Services Branch (SFSB) main office submits overall reports for all DOE schools combined.




Annual Financial Report (AFR)

DOE School		DOE CHILD NUTRITION PROGRAM	
Year	Program	Amount	Notes
2023
2024
2025



Off-site Assessment Tool (OSAT)

- ▶ Prior to the AR
- ▶ Requests information regarding the monitoring areas of the AR
- ▶ Targets areas of non-compliance
- ▶ Resource Management section of the Off-Site Assessment Tool **must** be completed before the review



Off-site Assessment Tool


Review Form - Resource Management

Non-Profit FS Account	Food Landed Equity	Nonprogram Foods Revenue	Indirect Costs
700.			
701.			
702.			
703.			
704.			
705.			

Review Questions - Non-Profit FS Account

700. Did the SFA have the ability to accurately track all revenues and expenditures for the nonprofit school food service separately from all other revenues?

701. If YES, describe the method used in the comments box, such as having a separate account only for food service revenues and expenditures, identifying all financial transactions by a separate fund code, using separate ledger or other system to track revenues and expenditures specific to food service.




Review

- ▶ Off-site Assessment Tool (SFA)
- ▶ Resource Management Risk Indicator Tool (HCNP)
- ▶ Resource Management Comprehensive Review Form (HCNP), if applicable


Resource Management sections

1. Maintenance of the Nonprofit School Food Service Account
2. Paid Lunch Equity (PLE)
3. Revenue from Nonprogram Foods (NPR)
4. Indirect Costs




Area 1: Maintenance of the Nonprofit School Food Service Account

- ▶ Ensure that revenues and expenditures allowable:
 - ▶ Necessary
 - ▶ Reasonable
 - ▶ Allocable
- ▶ Used only for the operation and improvement of school food service.
- ▶ Ensure that net cash resources do not exceed three months' average operating expenses.




Required Documents

- ▶ Detailed General Ledger / Expense Report (Aukahi)
- ▶ All Invoices and Receipts charged to the food service account for the sample period.
- ▶ DOE Time and Effort Certification (formerly known as Payroll Certification) for any cafeteria staff, if applicable.




Required Documents

- ▶ Detailed General Ledger - Sorted by date
 - ▶ July 2023 to June 2024
 - ▶ July 2024 to Current
- ▶ Detailed General Ledger - Sorted by vendor
 - ▶ July 2023 to June 2024
 - ▶ July 2024 to Current



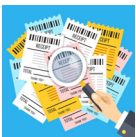

Required Documents

- ▶ Vendor invoices/receipts charged to nonprofit food service account
 - ▶ For the sample period
- ▶ Deposit slips for any nonprofit food service account transactions
 - ▶ For the sample period
- ▶ Documentation showing lunch price charged for SY 23-24 (example: menu, flyer, student handbook)




Allowable Costs

- ▶ Largest part of the Resource Management review
- ▶ Review a sample of SFA's expenses
 - ▶ Detailed general ledger report
 - ▶ Receipts


Area 2: Paid Lunch Equity (PLE)

- ▶ Assess the completion of the PLE tool (if applicable)
- ▶ Ensure that SFAs comply with the PLE requirements for pricing paid student lunches




Paid Lunch Equity Tool (PLE)

- ▶ Calculate paid lunch price increase requirements and/or non-Federal source contributions
- ▶ Compares the average weighted price for paid lunches to the determined targeted weighted average price.
 - ▶ Difference between the per meal Federal reimbursement for free meals and paid lunches.



Required Documents (if applicable)

- ▶ Copy of completed Paid Lunch Equity (PLE) tool
- ▶ If non-federal funds were transferred to food service account, provide supporting documentation that the funds were transferred (i.e. copy of General Ledger)



Area 3: Revenue from Nonprogram Foods (NPR)

- ▶ Assess the completion of the Non-Program Food Revenue (NPR) Tool, which assists SFAs in determining compliance with the non-program foods requirement.
- ▶ Review nonprogram food prices to ensure the payments are sufficient to cover the overall cost of nonprogram food.



Nonprogram Revenue (NPR)

- ▶ Common examples of nonprogram foods:
 - ▶ A la carte items
 - ▶ Adult meals
 - ▶ Second meals
 - ▶ Fundraisers or vending machines
 - ▶ Catered meals



Nonprogram Revenue Calculator (NPR)

USDA FOOD AND NUTRITION SERVICE

Nonprogram Revenue Calculator

Enter the cost for non-program meals, cost of nonprogram food and total revenue

Cost for Non-program Meals	\$		
Cost of Non-program Food	\$		
Total Food Costs	\$		
Total Nonprogram Food Revenue	\$		
Total Revenue	\$		



Required Documents (if applicable)

- ▶ Completed Non-Program Food Revenue Tool (NPR)
- ▶ Documentation demonstrating food costs & revenue of non-program foods
- ▶ Written explanation or example of how the SFA separates its program food revenue & costs from nonprogram food revenue & costs
- ▶ Documentation showing prices charged for nonprogram foods (i.e. adult meals)
- ▶ The SFA's pricing methodology for nonprogram food items and adult meals



Area 4: Indirect Costs

- ▶ Ensure that SFAs follow fair and consistent methodologies to identify and allocate allowable indirect costs to school food service accounts.
- ▶ Almost all of our SFAs do not charge indirect costs. If your SFA does not charge indirect costs to the school food service account this section does not apply.




Indirect Costs

- ▶ Benefit multiple programs
- ▶ Administrative overhead
 - ▶ Fringe benefits
 - ▶ Accounting
 - ▶ Payroll
 - ▶ Purchasing
 - ▶ Facilities Management
 - ▶ Utilities




Required Documents (if applicable)

- ▶ Support documentation for any indirect cost charged to the nonprofit food service account
- ▶ Indirect Cost Rate Agreement
- ▶ Only applies if your SFA charges indirect costs to the nonprofit school food service account



Procurement Review

- ▶ Procurement Review conducted at the same time as Administrative Review
- ▶ Looks at SFAs procurement activities



Procurement - Required Documents

- ▶ SFA's Procurement Policies & Procedures
- ▶ SFA's Procurement Code of Conduct
- ▶ All contracts and documentation
- ▶ Vendor Paid List:
 - ▶ Detailed General Ledger - Sorted by vendor
 - ▶ July 2023 to June 2024
 - ▶ July 2024 to Current



Buy Hawaii Provision (Buy American)



Buy Hawaii Provision (Buy American)

- ▶ Hawaii is exempt from the Buy American provision, but recipient agencies in Hawaii are required to purchase food products grown in Hawaii in sufficient quantities to meet school meal program needs (7 CFR 210.21 (d)(3)).
- ▶ SFAs required to purchase food that is produced or processed domestically, and if domestically processed, done so substantially using domestic agricultural commodities.



Buy Hawaii

- ▶ Procurement transactions must comply with the Buy Hawaii provision.
- ▶ Include the Buy Hawaii provision in:
 - ▶ procurement procedures, state agency prototype documents, procurement solicitations & contracts; including domestic requirements in bid specifications; contract monitoring.



Buy Hawaii - Exceptions

- ▶ Limited exceptions to the Buy Hawaii provision which allow for the purchase of non-domestic products when use of domestic products is truly not practicable.
- ▶ Alternative or exception may be utilized as long as documentation justifying an exception is maintained.



Buy Hawaii - Required Documents

- ▶ Submit documentation demonstrating compliance with the Buy Hawaii Provision:
- ▶ Procurement plan / procedures
- ▶ All procurement solicitations, contracts, bid specifications
- ▶ Documentation of any exceptions used




Quiz

Resource Management Administrative Review Training Quiz:



<https://forms.gle/ih9pALtknEvjrN1R9>

Code word: fiscal integrity



Questions?

- ▶ HCNP Fiscal Team
 - ▶ Shaynee.Moreno@k12.hi.us
 - ▶ Kyle.Sawai@k12.hi.us

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