Universal Breakfast

Joe Clark
Senior Accountant
ALSDE CNP School Programs

BREAK for a PLATE

SCHOOLS

Learning Code

Professional Learning Code: 3350

What is Universal Breakfast?

Universal Breakfast is essentially Provision 2 with each year operated as the base year.

The SFA continues to accept and process applications.

Breakfast is made available to all students, at no cost to the students.

Reimbursement is made based on the students' eligibilities.

Because no funds are collected from reduced and paid students, universal breakfast does not work for all districts.

Why Operate Universal Breakfast?

When breakfast is made available to all students at no charge, more students eat breakfast.

Universal Breakfast reduces the stigma of eating breakfast at school.

Universal Breakfast makes breakfast available to students who would otherwise not consider participating for fear that they might be seen as “poor”.

Children who participate in Universal Breakfast tend to have improved attendance, less tardiness, and improved test scores.

Most teachers are supportive of breakfast and realize its importance.

What About Finances?

Generally, the increase in breakfast participation will offset the loss of income from students.

If there is a loss due to operating Universal Breakfast, that loss would be absorbed by the CNP account unless it results in a negative fund balance.

While the Legislature did provide breakfast funding in the last legislative session, that was a one-time funding opportunity. That funding was intended to “make whole” those districts that serve free breakfasts without full reimbursement at the free rate (Universal Breakfast, CEP districts with an ISP below 62.5)

Universal Breakfast

While Universal Breakfast is great for breakfast in the classroom, having breakfast in the cafeteria allows for more options. Those increased options can also lead to an increase in participation.

Universal Breakfast is an excellent choice for districts that are unable to implement CEP.

One less meal to worry about meal debt!

How Do I Sign Up?

Send an email to Joe Clark, jclark@alsde.edu, expressing interest in Universal Breakfast.

A DocuSign envelope will be routed. It will require the signatures of the director, CSFO, and superintendent.

A one month operating balance is required.

SFA must be in good standing with ALSDE.

Approval granted via email after DocuSign is signed by all parties.

Questions?
Thank you!

Joe Clark
jclark@alsde.edu
cnpnslp@alsde.edu

https://forms.office.com/r/104QUEbMr7

CNP Annual Reports

Steven Rylant, Senior Account
Fall Conference
ALSDE CNP School Programs

CHILD NUTRITION ANNUAL REPORTS
LEA SCHOOLS

CNP Annual Report

The Alabama State Department of Education (ALSDE) School Programs will provide the “CNP Annual Report” concluding the fiscal year end September 30th of each year via DocuSign. The CNP annual report has replaced the LEA Financial Profile and the RCCI & Private school’s Annual Report.

The “CNP Annual Report” will need to be completed with information from the SFA's financial and school meals data as reported during the fiscal year.

Fiscal Year: (October 1st through September 30th of prior year)

CNP Annual Report

References:

FY CNP Financial Management Handbook: Financial Management Handbook 2025

FNS federal regulations 7 CFR 210.9(2): eCFR :: 7 CFR Part 210 -- National School Lunch Program

FNS federal regulations 7 CFR 210.14(b): eCFR :: 7 CFR Part 210 -- National School Lunch Program

FNS federal regulations 7 CFR 210.19(a)(1): eCFR :: 7 CFR Part 210 -- National School Lunch Program

LEA CNP Annual Report

The LEA CNP Annual Report contains six (6) sections that must be completed and returned to ALSDE via DocuSign.

1. Fund Balances and Results of Operations
2. Revenue/Expenditure Ratios
3. Productivity
4. Meal Equivalents
5. Certification
6. Corrective Action Plan

LEA CNP Annual Report

Fund Balances and Results of Operations:

3. <u>**Total Enrollment:**</u> Enter the enrollment as reported on the October claim for the fiscal year being closed out. (e.g., October 2025 enrollment for fiscal year 2026 CNP Annual Report.)

   We have put in a request for a report to be generated from the LINQ system to make this easier; however, currently the SFA will need to manually add the actual enrollment for each school site's meal count claim form from LINQ.

LEA CNP Annual Report

Where do I go to get the information?

You will need to work with the local Chief School Financial Officer (CSFO) and/or accounting section for your organization.

If a Local Education Agency (LEA), you will need to pull the final approved accounting software report (e.g. NexGen, McAleer, Harris, Etc.) that the CSFO will use to report to the state agency LEA. Please ensure that you verify that the report is the final report and that all receivables and payables are accurate and complete.

If a RCCI or Private school, you will need the accounting software reports or the September 30th bank statement if not accounting software is utilized.

LEA CNP Annual Report

Fund Balances and Results of Operations:

4. **Total Revenue**: Enter the total revenue generated by the CNP, as reported on the final approved accounting system trial balance report for the fiscal year (e.g., NexGen's finalized totals as of September 30th) under account type 4-Revenue and fund source 5101. **This must reconcile to the data that is reported to state LEA by the CSFO. See snippet below as an example:**

STATE OF ALABAMA
DEPARTMENT OF EDUCATION
LEA Financial System
Revenues and Expenditures for Funding Source
5101 - Food & Nutrition Fund Source–Default
Fiscal Year 2025, Fiscal Period 12

	Approved Budget - Fiscal Period 07	Account Balance	Variance
Appropriation Year 0			
Revenues			
5110 USDA-School Lunch Program-Section 11	$0.00	$3,614,354.23	($3,614,354.23)
5120 USDA-School Lunch Program-Section 4	$3,620,000.00	$578,788.62	$3,041,211.38
5135 USDA-Severe Need Breakfast Program	$1,361,000.00	$1,501,706.25	($140,706.25)
5160 USDA-Food Donation Program	$0.00	$354,299.39	($354,299.39)
5161 USDA Donated Foods Rebates / SAE	$0.00	$17,870.00	($17,870.00)
6710 Daily Sales - Lunch	$17,500.00	$0.00	$17,500.00
6720 Daily Sales - Breakfast	$1,200.00	$0.00	$1,200.00
6730 Daily Sales - A la carte	$336,000.00	$322,799.03	$13,200.97
8993 CNP Rebates	$96,000.00	$93,092.15	$2,907.85
9210 Operating Transfers In	$2,331,048.27	$230,000.00	$2,101,048.27
Total Revenues	**$7,970,598.27**	**$8,103,786.58**	**($133,188.31)**

LEA CNP Annual Report

Fund Balances and Results of Operations:

5. **Total Expenditures**: Enter the total expenditures generated by the CNP, as reported on the final approved accounting system trial balance report for the fiscal year (e.g., NexGen's finalized totals as of September 30th) under account type 5-Revenue and fund source 5101. **This must reconcile to the data that is reported to state LEA by the CSFO. See snippet below as an example:**

	Approved Budget - Fiscal Period 07	Account Balance	Variance
Appropriation Year 0			
Expenditures			
8420-8429: Auxiliary Service - Food Services			
4210 Child Nutrition			
111 Coordinator/Asst. Coordinator	$93,542.00	$177,616.65	($84,074.65)
115 Manager/Asst. Manager	$554,775.00	$519,017.21	$35,757.79
461 Purchased Food	$2,944,000.00	$3,581,271.24	($637,271.24)
463 Food Service Supplies	$103,500.00	$66,332.78	$37,167.22
464 Food Processing Supplies	$229,500.00	$199,718.10	$29,781.90
471 Office Supplies	$7,250.00	$3,973.01	$3,276.99
479 Other General Supplies	$72,500.00	$77,406.01	($4,906.01)
Total 4210 Child Nutrition	**$7,115,234.00**	**$7,678,275.06**	**($563,041.06)**
Total for 8420-8429: Auxiliary Service - Food Services	**$7,115,234.00**	**$7,678,275.06**	**($563,041.06)**
Total Expenditures	**$7,115,234.00**	**$7,678,275.06**	**($563,041.06)**
Net Appropriation Year 0	**$855,364.27**	**$425,511.52**	**$429,852.75**

LEA CNP Annual Report

Fund Balances and Results of Operations:

7. **Total Assets:** Enter the total value of assets, as reported on the final approved accounting system trial balance report under account type 1-Assets and fund source 5101. **This must reconcile to the data that is reported to state LEA by the CSFO. See snippet below as an example:**

   a. Inventory - Materials & Supplies (Account Code 0141): Enter the value of materials and supplies inventory for the fiscal year.

   b. Inventory - Food (Account Code 0143): Enter the value of food inventory for the fiscal year.

STATE OF ALABAMA	Exhibit C-I-12
Fund Types	
Descriptions/Fund Source	**5101-0**
ASSETS AND OTHER DEBITS:	
Cash	
111-Cash in Bank (Operating Account)	$2,531,450.14
115-Change Cash	$312.00
Total Cash	**$2,531,762.14**
Receivables	
131-Accounts Receivable	$5,388.75
134-Intergovernmental Receivable	$732,828.11
Total Receivables	**$738,216.86**
Inventories	
141-Inventories-Materials & Supplies	$36,804.02
143-Inventories-Food	$176,471.87
Total Inventories	**$213,275.89**
TOTAL ASSETS AND OTHER DEBITS:	**$3,483,254.89**
LIABILITIES:	
Other Liabilities	
271-Deferred Revenue	$46,496.07
Total Other Liabilities	**$46,496.07**
TOTAL LIABILITIES:	**$46,496.07**

USDA Net Operating Balance Calculation for FY 2025	
Total Assets	$3,483,254.89
Less Inventory-Materials & Supplies	$36,804.02
Less Inventory-Food	$176,471.87
Less Liabilities	$46,496.07
CNP Net Operating Resources	**$3,223,482.93**
Total Expenditures	$8,333,838.52
CNP Operating Months	12
One Months Expenses	$694,486.54
3 months Limit	**$2,083,459.63**

LEA CNP Annual Report

Fund Balances and Results of Operations:

8. **<u>Total Assets (Less Inventory):</u>** This will auto-calculate as Total Assets minus Inventory.

TOTAL ASSETS			$	100000
	Description	**Account Code**		
A.	Inventory-Material & Supplies	0141	$	10000
B.	Inventory-Food	0143		10000
TOTAL ASSETS (Less Inventory)			$	80,000.00

LEA CNP Annual Report

Fund Balances and Results of Operations:

9. **Total Liabilities:** Enter the total liabilities as reported under account type 2-Liabilities and fund source 5101. **This must reconcile to the data that is reported to state LEA by the CSFO. See snippet below as an example:**

STATE OF ALABAMA	
	Exhibit C-I-12
Fund Types	
Descriptions/Fund Source	**5101-0**
ASSETS AND OTHER DEBITS:	
Cash	
111-Cash in Bank (Operating Account)	$2,531,450.14
115-Change Cash	$312.00
Total Cash	**$2,531,762.14**
Receivables	
131-Accounts Receivable	$5,388.75
134-Intergovernmental Receivable	$732,828.11
Total Receivables	**$738,216.86**
Inventories	
141-Inventories-Materials & Supplies	$36,804.02
143-Inventories-Food	$176,471.87
Total Inventories	**$213,275.89**
TOTAL ASSETS AND OTHER DEBITS:	**$3,483,254.89**
LIABILITIES:	
Other Liabilities	
271-Deferred Revenue	$46,496.07
Total Other Liabilities	**$46,496.07**
TOTAL LIABILITIES:	**$46,496.07**

USDA Net Operating Balance Calculation for FY 2025	
Total Assets	$3,483,254.89
Less Inventory-Materials & Supplies	$36,804.02
Less Inventory-Food	$176,471.87
Less Liabilities	$46,496.07
CNP Net Operating Resources	**$3,223,482.93**
Total Expenditures	$8,333,838.52
CNP Operating Months	12
One Months Expenses	$694,486.54
3 months Limit	**$2,083,459.63**

LEA CNP Annual Report

Fund Balances and Results of Operations:

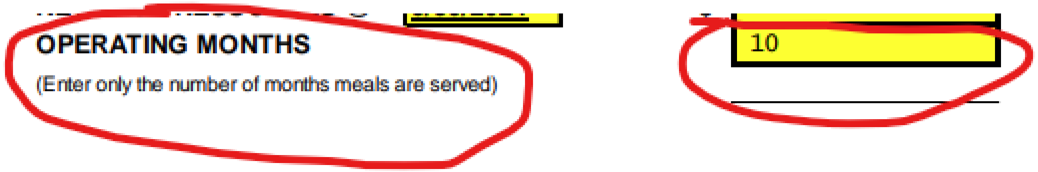
10. <u>Net Cash Resources:</u> @ 9/30/XXXX: This will auto-calculate as Total Assets minus Inventory and minus Total Liabilities.

TOTAL ASSETS			$	100000
	Description	Account Code		
A.	Inventory-Material & Supplies	0141	$	10000
B.	Inventory-Food	0143		10000
TOTAL ASSETS (Less Inventory)			$	80,000.00
TOTAL LIABILITIES			$	5000
NET CASH RESOURCES @	9/30/2024		$	75,000.00

LEA CNP Annual Report

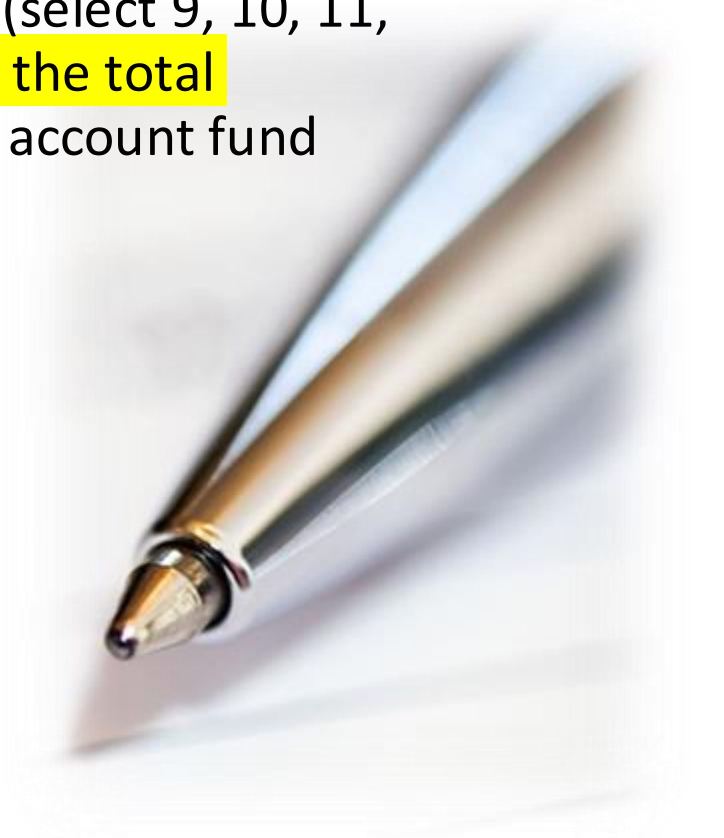
Fund Balances and Results of Operations:

11. **Operating Months:** Enter the number of months meals are served (select 9, 10, 11, or 12 from dropdown box). Please note that you will need to enter the total number of months in which meals were served and claimed under account fund code 5101. This will include NSLP and SSO operating months.


OPERATING MONTHS

(Enter only the number of months meals are served)

10

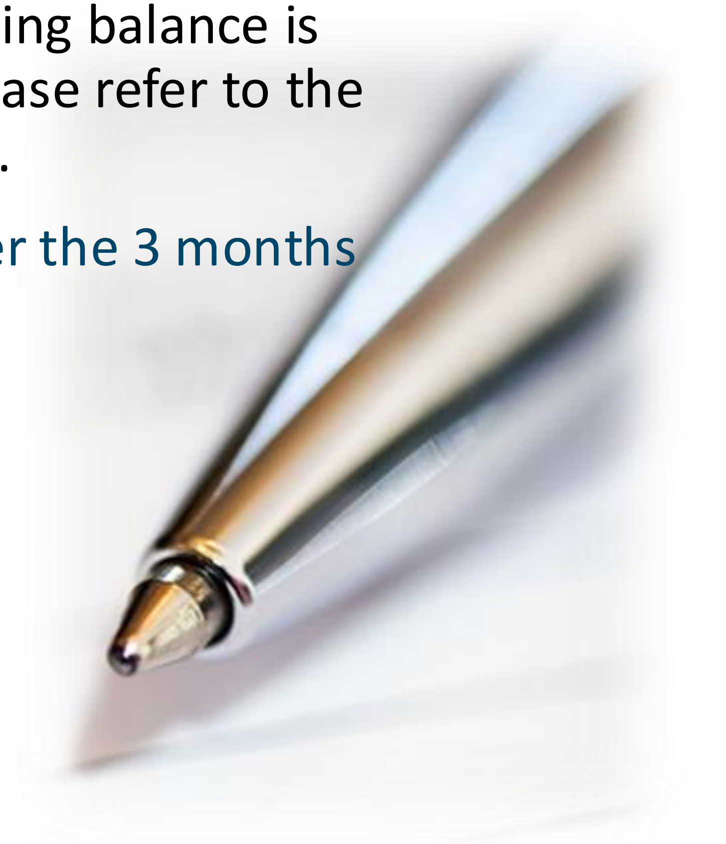


LEA CNP Annual Report

Fund Balances and Results of Operations:

14. <u>Operating Balance (Months):</u> This will auto-calculate. If the operating balance is greater than three months, a corrective action plan is required. Please refer to the corrective action plan requirements listed at the end of this memo.

    - The LEA will be required to upload a corrective action plan if over the 3 months limit with the DocuSign.



AVERAGE MONTHLY EXPENDITURES	$	7,500.00		
THREE (3) MONTHS EXPENSES	$	22,500.00		
OPERATING BALANCE (MONTHS)	$	10.00	Over 3 months	Yes

(If the Operating Balance is greater than 3 months the SFA must submit a corrective action plan for ALSDE to review and approve along with this report)

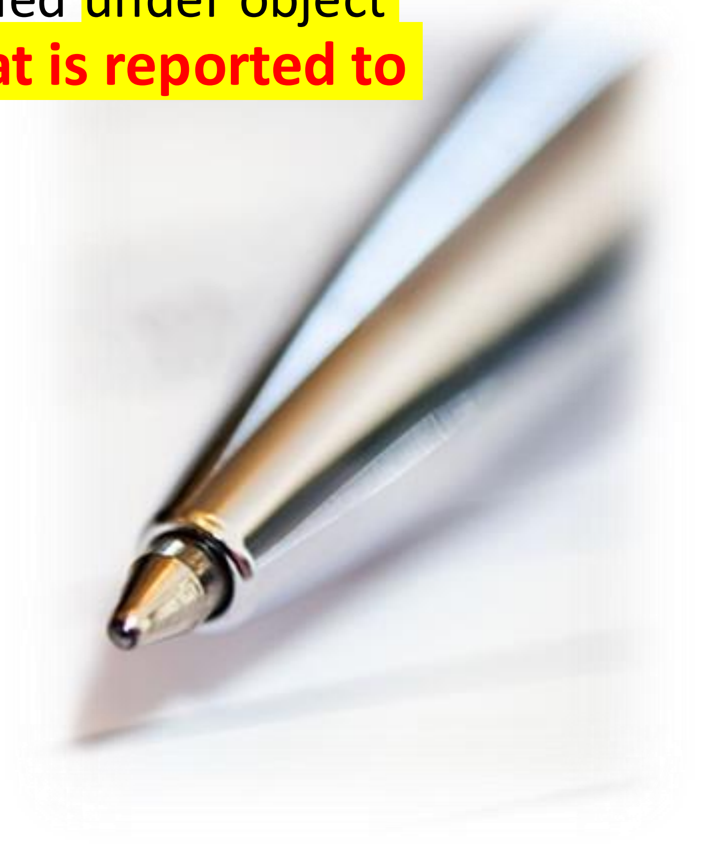
LEA CNP Annual Report

Revenue / Expenditure Ratios:

16. **Total Food Expenditures:** Enter the total food expenditures, recorded under object code 461 (Purchased Food). **This must reconcile to the data that is reported to state LEA by the CSFO. See snippet below as an example:**

STATE OF ALABAMA
DEPARTMENT OF EDUCATION
LEA Financial System
Revenues and Expenditures for Funding Source
5101 - Food & Nutrition Fund Source–Default
Fiscal Year 2025, Fiscal Period 12

	Approved Budget - Fiscal Period 07	Account Balance	Variance
Appropriation Year 0			
Expenditures			
8420-8429: Auxiliary Service - Food Services			
4210 Child Nutrition			
111 Coordinator/Asst. Coordinator	$93,542.00	$177,616.65	($84,074.65)
115 Manager/Asst. Manager	$554,775.00	$519,017.21	$35,757.79
461 Purchased Food	$2,944,000.00	$3,581,271.24	($637,271.24)
463 Food Service Supplies	$103,500.00	$66,332.78	$37,167.22
464 Food Processing Supplies	$229,500.00	$199,718.10	$29,781.90
471 Office Supplies	$7,250.00	$3,973.01	$3,276.99
479 Other General Supplies	$72,500.00	$77,406.01	($4,906.01)
Total 4210 Child Nutrition	**$7,115,234.00**	**$7,678,275.06**	**($563,041.06)**
Total for 8420-8429: Auxiliary Service - Food Services	**$7,115,234.00**	**$7,678,275.06**	**($563,041.06)**
Total Expenditures	**$7,115,234.00**	**$7,678,275.06**	**($563,041.06)**
Net Appropriation Year 0	**$855,364.27**	**$425,511.52**	**$429,852.75**

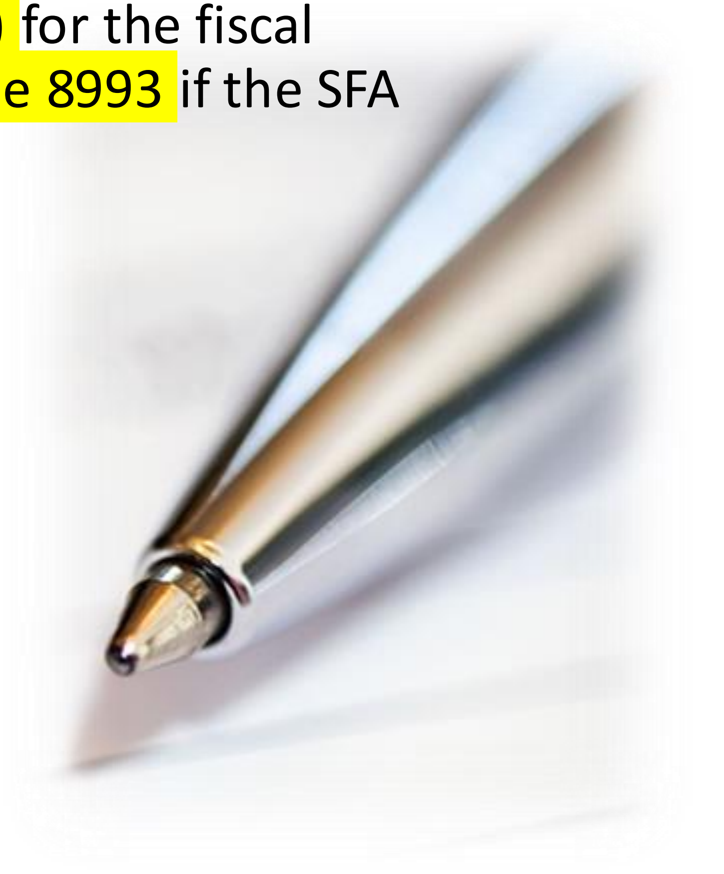


LEA CNP Annual Report

Revenue / Expenditure Ratios:

17. **SWP Rebates:** Enter any rebates from Statewide Purchasing (SWP) for the fiscal year. This will be the amount recorded under revenue function code 8993 if the SFA received SWP rebates.

SWP REBATES $ 5000



LEA CNP Annual Report

Revenue / Expenditure Ratios:

18. **Other Rebates:** Enter any other non-SWP rebates for the fiscal. This is also recorded under 8993.

OTHER REBATES (Systems that are not on SWP) $ 5000

LEA CNP Annual Report

Productivity:

Please note that for this fiscal year you will need to use the old online application system and the new LINQ system to calculate the total meal counts. The old system for the October 2024 through June 2025 meal counts and use the new LINQ system for meals between July 2025 through September 2025.

LEA CNP Annual Report

Productivity:

23. **<u>Total Breakfast Served:</u>** Enter all breakfast meals claimed between 10/1 and 9/30. The SFA will need to add all school breakfast meals including Seamless Summer Breakfast meals.

LEA CNP Annual Report

Productivity:

24. **Total Lunch Served:** Enter all breakfast meals claimed between 10/1 and 9/30. The SFA will need to add all school lunch meals including Seamless Summer lunch meals

LEA CNP Annual Report

Productivity:

25. **Total Snacks Served:** Enter all snack meals claimed, including Area Eligible, Non-Area Eligible, and Seamless Summer Option snacks.

LEA CNP Annual Report

Productivity:

26. **Total Non-Program Food Revenues:** Enter the total revenue from non-program food sales (e.g., LEA revenue function codes: 6730 "Daily Sales-A la Carte", 6740 "Daily Sales-Other", 6750 "Special Functions", 6760 "SFSP-Vending", 6765 "CACFP-Vending", and 6790 "Other Food Service Income."), for the fiscal year (e.g., NexGen's finalized totals as of September 30th). **This must reconcile to the data that is reported to state LEA by the CSFO. See snippet below as an example:**

STATE OF ALABAMA
DEPARTMENT OF EDUCATION
LEA Financial System
Revenues and Expenditures for Funding Source
5101 - Food & Nutrition Fund Source—Default
Fiscal Year 2025, Fiscal Period 12

	Approved Budget - Fiscal Period 09	Account Balance	Variance
Appropriation Year 0			
Revenues			
2901 State Sources Default	$0.00	$76,354.25	($76,354.25)
5110 USDA-School Lunch Program-Section 11	$3,122,000.00	$4,347,445.67	($1,225,445.67)
5125 USDA-After School Snack Program	$0.00	$50.40	($50.40)
5135 USDA-Severe Need Breakfast Program	$998,000.00	$1,441,199.33	($443,199.33)
5160 USDA-Food Donation Program	$300.00	$365,872.57	($365,572.57)
5161 USDA Donated Foods Rebates / SAE	$0.00	$26,721.75	($26,721.75)
5990 Other Federal Revenue	$120,000.00	$0.00	$120,000.00
6730 Daily Sales - A la carte	$146,600.00	$191,813.12	($45,213.12)
6740 Daily Sales - Other	$47,500.00	$45,940.55	$1,559.45
6790 Other Food Service Income	$30,000.00	$54,115.50	($24,115.50)

LEA CNP Annual Report

Productivity:

36. Total Labor Hours: Enter total labor hours, ensuring consistency with the Pass-Thru worksheet and including FSMC and temporary labor services for the fiscal year.

FY 2024		
Total Annual Salary:	$	820,267.00
Total Fringe Benefits:	$	463,868.12
Total Raises to be Passed Through:	$	365,471.13
Total Amount to be Passed Through:	$	829,339.25
Monthly Pass-Thru:	$	69,111.60
Quarterly Pass-Thru:	$	207,334.81
Total Cafeteria Staff Labor Hours (include contract cafeteria staff labor hours)		38112

LEA CNP Annual Report

Productivity:

37. **Meals Per Labor Hours:** This is auto-calculated.

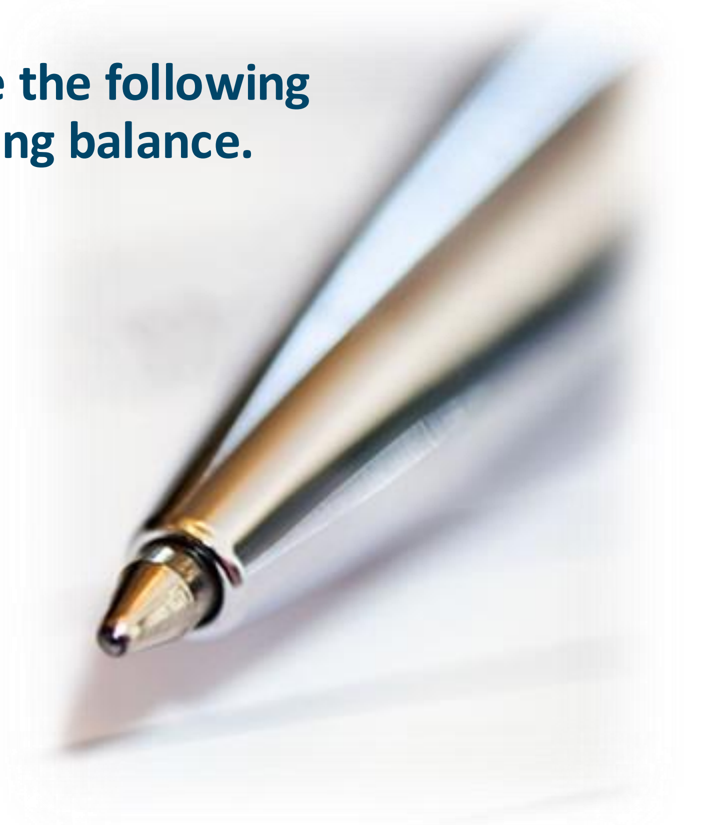
LEA CNP Annual Report

What is the Alabama State Department of Education Child Nutrition Program Section reviewing and validating?

1. USDA federal regulations require the state agency (SA) to review and validate the following annually to ensure subrecipients are not exceeding the three-months operating balance.

Therefore, the SA is only validating the following data to ensure compliance:

- ✓ Total Assets
- ✓ Total Inventory
  - ✓ Food
  - ✓ Material & Supplies
- ✓ Total Liabilities
- ✓ Total Expenditures
- ✓ Total CNP operating months



LEA CNP Annual Report

USDA Federal programs Net Cash Resource Operating Balance Calculation:

Total Assets

Less Inventory (Food, material, and supplies)

<u>Less Liabilities</u>

Total Net Cash Resources (Operating Balance)

Three months expenditures calculation:

Total Expenditures (fiscal year: October 1 through September 30)

<u>Divided by Total Operating Months</u> (Only the number of months meals are served)

One Months Expenses

<u>Multiplied by three (3)</u>

Three Months Expenses

If the Net Cash Resources is greater than the Three Months Expenses, then the SFA is not in compliance with federal regulations.

LEA CNP Annual Report

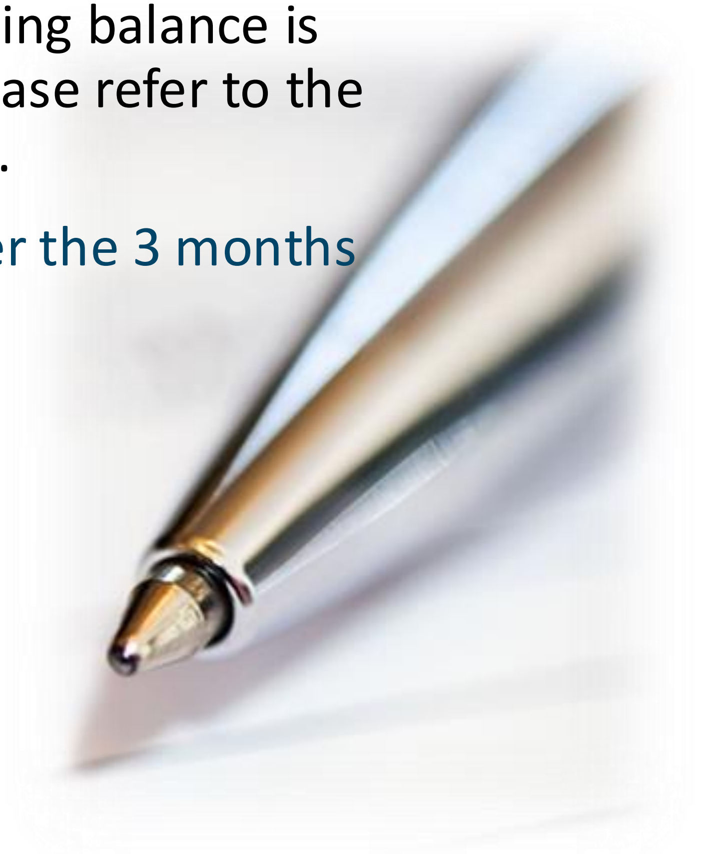
Fund Balances and Results of Operations:

14. **<u>Operating Balance (Months):</u>** This will auto-calculate. If the operating balance is greater than three months, a corrective action plan is required. Please refer to the corrective action plan requirements listed at the end of this memo.

    - The LEA will be required to upload a corrective action plan if over the 3 months limit with the DocuSign.

AVERAGE MONTHLY EXPENDITURES	$	7,500.00		
THREE (3) MONTHS EXPENSES	$	22,500.00		
OPERATING BALANCE (MONTHS)	$	10.00	Over 3 months	Yes

(If the Operating Balance is greater than 3 months the SFA must submit a corrective action plan for ALSDE to review and approve along with this report)



LEA CNP Annual Report

Corrective Action Required:

The **<u>SFA must implement and submit written procedures</u>** detailing the steps taken to ensure its compliance with the net cash resources limitation to a level at or below three months' average expenses. Below are SA's recommendations.

1. The plan should be typed on the SFA's letterhead and signed by the authorized representatives listed in the plan.
2. The written procedures may include the following steps:
    1. The CNP Director schedules an electronic calendar reminder to meet with the Chief School Financial Officer (CSFO) quarterly to review the current operating balance of the CNP funds to forecast if it appears the SFA/LEA will exceed the three (3) months operating balance.
    2. If it appears that the CNP program will exceed the 3-months limit a spend down plan will be developed to ensure by September 30 the operating balance will not exceed 3 months.
    3. The SFA may use the excess net cash balance to purchase needed and allowable items such as equipment and supplies (i.e., Ovens, Lunchroom Tables, Serving Lines, etc.)
    4. The CSFO may reduce the Pass-Thru funding to only the SFA cost centers that are in need of funding if allowable per Alabama Legislature Acts.
3. This process could include a current SA Approved Plan to address resources that exceed the net cash resource limitation.

LEA CNP Annual Report

DEADLINE: January 15th of each year:

This report and corrective action plan(s) are due January 15th of each year. Please note that if a complete and adequate CNP Annual Report is not received by the January 15th deadline the SFA may have their funds withheld until a complete report is submitted.

Questions?
Thank you!

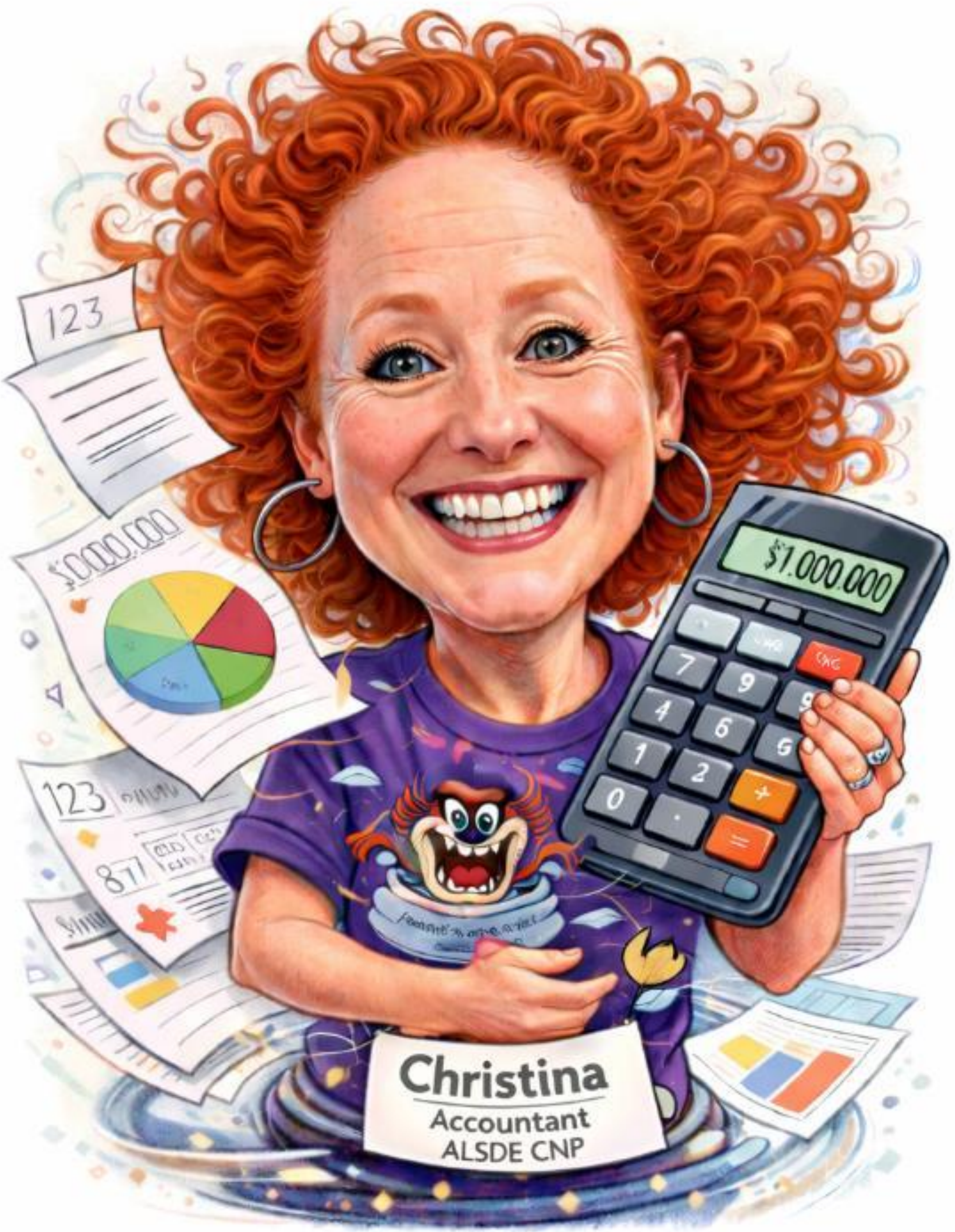
Steven Rylant
swrylant@alsde.edu
cnpnslp@alsde.edu

https://forms.office.com/r/104QUEbMr7

INDIRECT COST and ALLOWABLE EXPENSES

Christina Glover
Accountant
ALSDE CNP School Programs

Ellen Watson
Financial Specialist
ALSDE CNP School Programs



123
$1.000.000
123
Christina
Accountant
ALSDE CNP

$1.000.000
Ellen
Financial Specialist
ALSDE CNP.

DIRECT AND INDIRECT COST

Definition of Direct Costs
Direct costs are expenses directly tied to a specific program, such as food and labor used to prepare meals for the Child Nutrition Program.

Definition of Indirect Costs
Indirect costs are shared expenses that support multiple programs, such as utilities for shared spaces, and must be allocated using an approved method.

DIRECT AND INDIRECT COST EXAMPLES

Direct Costs	Indirect Costs
Wages and Salaries of Food Service Workers	Payroll Services/Human Resources
Cost of Purchased Food	Superintendent Services
Food Service Supplies	Gas
Materials relating to the Food Service	Electricity
Capital Equipment relating to the Food Service	Sewage
	Water
	Trash

INDIRECT COST RATE CALCULATION

The CNP Indirect Cost rate no longer exists. The School Food Authority (SFA) will use the approved, unrestricted Indirect Cost rate provided by the Alabama State Department of Education (ALSDE) Local Education Agency (LEA) Accounting. ALSDE CNP and ALSDE LEA are working together to prevent "double dipping" or charging the same expense as both a direct cost and an indirect cost.

- All direct expense object codes coded to CNP fund source 5101 will be excluded from the indirect cost pool calculation.

- The following object codes are **unallowable direct expenses** to the Child Nutrition Program:

348 Garbage and Waste	373 Natural Gas
361 Telephone	374 Propane Gas
362 Telecommunication	375 Fuel Oil
369 Other Communication Services	376 Coal
371 Electricity	379 Other Utilities
372 Water and Sewage	

INDIRECT COST RATE CALCULATION

Please note that moving forward, ALSDE LEA will flag these object codes to generate an error message indicating they are not allowable for the Child Nutrition Program when the school district LEA submits their financial reports to ALSDE LEA. However, it is recommended that the SFAs inform their Chief School Financial Officer (CSFO), Bookkeepers, and LEA financial representatives to update their local accounting system (e.g., NexGen, McAleer, Harris, etc.) to reflect this. If you have already coded expenses to these object codes for FY2026, please make the adjusting journal entries to correct the discrepancies.

What if the SFA has individual meters for the cafeteria? Submit questions to cnpnslp@alsde.edu for further information.

INDIRECT COST RATE CALCULATION

- In accordance with current USDA Indirect Cost Guidance, all federal programs within an LEA must be treated consistently with direct and indirect costs.
- A cost cannot be charged as a direct cost to a federal program if the cost incurred for the same purpose, under similar circumstances, is charged as an indirect cost to other federal programs.

<u>In short</u>:
CNP cannot be charged directly for a cost if other federal programs, such as Title I and Title II, are not charged directly for the same cost. LEAs are required to treat all federal programs consistently.

INDIRECT COST RATE CALCULATION

- If an employee's salary is split between CNP fund source 5101 and any other program fund source, the CNP portion of the salary must be deducted from total salaries before the LEA applies the indirect cost rate. CNP cannot be charged for both the direct cost portion and the indirect cost portion of the split-funded salary.

- It is the LEA's responsibility to perform this calculation and provide supporting documentation, such as a daily timesheet detailing the work performed for CNP, to demonstrate that no double dipping has occurred.

- USDA does not allow indirect cost calculations based on a percentage of time. The calculati must be based on actual time worked on CNP-related activities documented by timesheets.

- We recommend any salary not 100% CNP-related to be paid from the General Fund and use the indirect cost payments to cover the CNP share.

SUMMARY OF DETERMINING DIRECT AND INDIRECT COST

- Does the cost benefit multiple programs or just the school food service program?
- Does the cost have a direct relationship to the school food service program?
- Is the cost an allowable expense under the Federal cost principles?
- How are similar costs treated in other Federal cost programs of the SFA?
- How has this cost been treated historically by the SFA?

SCHOOL BREAKFAST & LUNCH PROGRAM ALLOWABILITY OF COSTS

Factors Affecting Allowability of Costs:

- **Reasonable Cost**
- **Necessary Cost**
- **Allocable Cost**

REASONABLE COST

A **reasonable** cost for the Child Nutrition Program is one that:

- Clearly benefits the program and is worth the cost
- Is reasonably priced compared to similar vendors
- Is consistent with other program costs for similar work or service
- Is a priority use of funds compared to other administrative needs

In short:
A cost is **reasonable** if the price is fair, the expense is necessary, and it makes sense for the Child Nutrition Program to pay for it.

NECESSARY COST

A **<u>necessary</u>** cost for the Child Nutrition Program is a cost that:

- Is needed to operate the program and provide meals
- Cannot be avoided without affecting program operations or services

<u>In short:</u>
The expense is considered **necessary** if the program cannot operate properly without it.

ALLOCABLE COST

Under 2 CFR 200 (Uniform Guidance), a cost is **allocable** when:

- **The cost helps the Child Nutrition Program**.
  The expense supports program activities like meal preparation, service, administration, or required recordkeeping.
- **The cost is shared fairly**.
  If an expense benefits more than one program or activity, the cost must be divided (allocated) based on how much each program benefits.
- **The allocation method is reasonable and documented**.
  You must use a logical method (time, usage, square footage, etc.) and keep records to show how the cost was split.

ALLOWABLE COST GROUPS
(MOST COMMON TO CNP)

- Labor – salaries and employee benefits
- Cost of Food Used:

  Beginning Inventory + Food Purchased – Ending Inventory
- Food Processing, Food Service, Other, and General Supplies related to CNP
- Purchased Services related to CNP
- Indirect Costs
- Non-Capitalized Equipment/Furniture & Fixtures related to CNP
- Capitalized Equipment ($5,000 and above) related to CNP

  Written permission is required from the State Department Child Nutrition Administrator prior to purchasing or it must be on the CNP Capital Equipment Pre-Approved List.

ALLOWABLILITY OF COST FOR INCENTIVE ITEMS

- **Uniforms** are allowable only if the school board has a policy to provide uniforms to all similar support staff, not just employees working in the Child Nutrition Program.

- **Program incentive items** may be paid for with program funds only if they are reasonable, necessary, and support outreach or nutrition education.

- **Allowable** items include low-cost materials that share a nutrition or program message, such as nutrition calendars or promotional items (t-shirts, pens, buttons, cups, magnets) that are meant for public display and promote the program.

- **Unallowable** items include celebration items, staff morale items, items with no nutrition or outreach message, or items given to people not connected to the program.

UNALLOWABLE COST EXAMPLES

- Bad debts – unpaid meal charges
- Fines and penalties
- Interest and financial costs
- Direct labor cost for administrative personnel above the school food service employee level who do not have direct, daily program responsibilities
- USDA donated foods or cash received in lieu of foods (cannot buy or sell commodities)
- Costs associated with sales or service to adults and other a la carte sales
- Costs of memberships, subscriptions and professional activities that are in the name of an individual and benefit that individual rather than the organization (The district may have a membership in the SFA's name.)
- Meals for staff training are normally unallowable expenses. Please refer to the ALSDE state memo "Guidance on Allowable Costs for Conferences and Meetings under 2 CFR 200.432".

UNALLOWABLE COST EXAMPLES

§ 200.439 Equipment and other capital expenditures.

- Capital expenditures for general purpose equipment, buildings, and land are unallowable as direct charges, except with the prior written approval of the Federal awarding agency o pass-through entity.
- Capital expenditures for improvements to land, buildings, or equipment which materially increase their value or useful life are unallowable as a direct cost, except with the prior written approval of the Federal awarding agency or pass-through entity.

<u>In short</u>:
Examples of unallowable CNP expenses include, but not limited to, stripping and waxing floors, leaf blowers to clean floors, HVAC systems for dining rooms, tables not 100% used for CNP, painting and maintaining kitchen/cafeteria, kitchen renovations for aesthetic purposes, etc.

RESOURCES

[Financial Management Handbook 2025]
[eCFR :: 7 CFR Part 210 -- National School Lunch Program]
[eCFR :: 7 CFR Part 220 -- School Breakfast Program]
[eCFR :: 2 CFR Part 200 -- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards]
[Indirect Cost Guidance]


Ask Us

Procurement Updates

Joe Clark
Senior Accountant
ALSDE CNP School Programs

BREAK *for a* PLATE

SCHOOLS

Procurement Updates

	Federal	State
Equipment Capitalization Threshold	$5,000 → $10,000	No Change $5,000
Micropurchase Threshold	$10,000 → $15,000	No Change $10,000
Small Purchase Threshold	$250,000 → $350,000	No Change $40,000

Procurement Updates

If changes are made to state thresholds, you will be notified.

You will need to update your local procurement plan to use any updated thresholds.

Good news! No action to take now!

Procurement/Administrative Review

Most Common Findings

- Not following own policy – not getting multiple quotes for small purchases
- Exceeding thresholds – lack of monitoring in place
- Lack of documentation for non-domestic food purchases

One More Thing

Contract length is regulated by 48 CFR 17.204.

48 CFR 17.204(e) Unless otherwise approved in accordance with agency procedures, the total of the basic and option periods shall not exceed 5 years in the case of services, and the total of the basic and option quantities shall not exceed the requirement for 5 years in the case of supplies. These limitations do not apply to information technology contracts. However, statutes applicable to various classes of contracts, for example, the Service Contract Labor Standards statute (see 22.1002-1), may place additional restrictions on the length of contracts.

Questions?
Thank you!

Joe Clark
jclark@alsde.edu
cnpnslp@alsde.edu

https://forms.office.com/r/104QUEbMr7

LINQ Annual Agreement SY 2027 Updates

Justin Hope, Education Specialist
Alabama State Department of Education
February 23, 2026

Agenda

- **Timeline for Annual Application**
- **Information to Gather Prior to Completion**
  Adult Meal Price Calculations
- **New Procedures for School Year 2027**
  - Permanent Agreements
  - Plate Cost Calculation- Vended Meals
  - Student Claiming Locations
  - Alternate Service Site/ Production Kitchen Information
  - School Reconfigurations

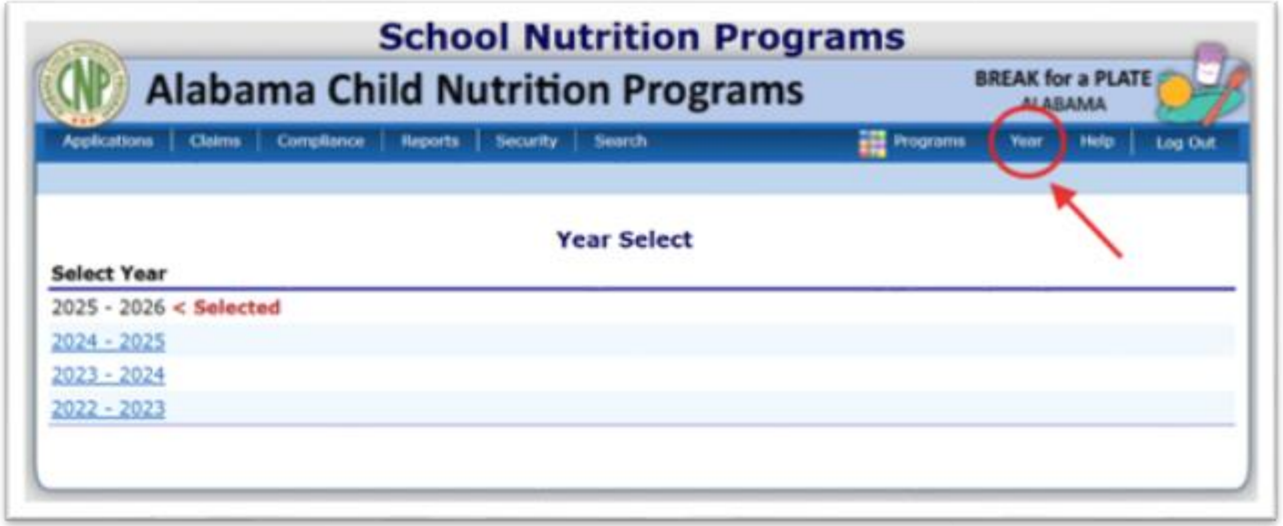
Timeline for Annual Agreement

May 1, 2026- June 5, 2026

- **Webinar (April)**
- **Area Specialists can assist as needed**
- **CNPNSLP@ALSDE.EDU**

Notes to consider:

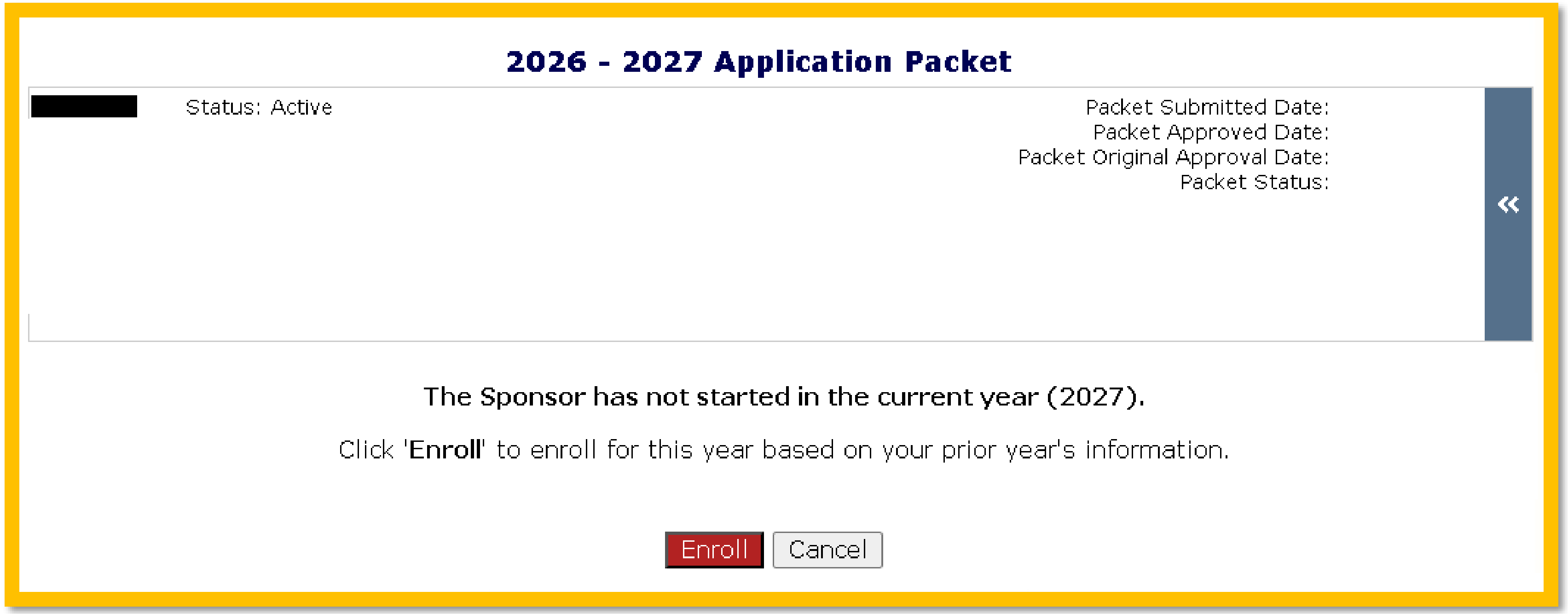
YEAR SELECTION



- ❑ **Once the new application year is opened, you will need to select the correct year when you return to the LINQ site. When working on the new application, you'll be working in 2026-2027.**

- ❑ **When completing general tasks for the current year (Claims, Revisions, etc.) you'll need to select 2025-2026.**

2026/2027 Application Enrollment



2026 - 2027 Application Packet

[redacted] Status: Active

Packet Submitted Date:
Packet Approved Date:
Packet Original Approval Date:
Packet Status:

«

The Sponsor has not started in the current year (2027).

Click '**Enroll**' to enroll for this year based on your prior year's information.

Enroll Cancel

- CNP Director Certificate
- Operating & School Calendar Days
- Meal Prices
- Audit Dates Latest financial period
- Update District & School Leadership Information
- Update Eligibility Information (if needed)
- Update Purchasing Thresholds

Information to Gather

Before the agreement opens, ALSDE will provide a checklist of items needed.

<u>You can begin preparing now, by collecting the following information:</u>

- Current Purchasing Thresholds
- LEA Audit completion date(most recent)
- Current contact information(including email, phone number, or address changes)
  - Superintendent
  - CNP Director
  - Menu Planner
  - Claim Preparer
  - CFSO
- 2026-2027 School calendar
- Director Certificate or Hiring Standards Notification Letter from ALSDE
- Most Recent Contracts for Catered/Vended Meals
- CEP Decision
  - Plan for grouping of schools (if needed)

Information to Gather

(Pricing Districts)

Student Meal Prices

- Begin discussions with your administrators and Board of Education regarding meal prices for 2026-2027.
- Utilize THE PLE Tool to find your minimum lunch Prices for next school year

SFA NAME: [TYPE SFA NAME HERE]

Paid Lunch Equity Report for SY 2024-2025

This report provides a summary of what calculations were conducted for SY 2024-25. It details the weighted average paid price requirement, the method SFAs chose to meet the requirement and any shortfall or credit that will need to carried forward to the next school year. When changes are made in the tool itself, the contents of this report will change accordingly. This report will be helpful to have when completing next year's PLE tool so it is recommended that SFAs print and keep this report in their records.

Section 1: SY 2024-25 Weighted Average Paid Price Requirements

A. Requirement to the nearest cent: This unrounded price will be entered into the SY 2025-26 tool to determine the SY 2025-26 weighted average price requirements	**$3.48**
B. Requirement ROUNDED DOWN to the nearest 5 cents:	**$3.45**

Section 2: Amounts Carried Forward to SY 2025-26

Select the method used to meet the requirement for SY 2024-25

Information to Gather

(Pricing Districts)

Adult Meal Prices

Begin discussions with your administrators and Board of Education regarding meal prices for 2026-2027.

*Two Cent Differential is an additional reimbursement to SFAs in which 60 percent or more of the lunches served in the second preceding school year were served at free or reduced price receive two cents more.

**Severe need breakfast is a USDA program that provides additional reimbursement to schools serving at least 40 percent or more of their lunches to children who qualify for free or reduced price meals.

Formula to Determine Adult Meal Prices

Pricing Districts, Lunch:

SFA Paid Price 2025-2026: $ X.XX	+	Paying Child Reimbursement $ 0.44	+	Meal Pattern Compliance, if applicable $ 0.09	+	Two Cent Differential, if applicable* $ 0.02	+	Current USDA/ Commodity Food Rate $ 0.3050	=	Minimum Adult Lunch Meal Price 2026-2027 $ X.XX

Pricing Districts, Breakfast

SFA Paid Price 2025-2026: $ X.XX	+	Paying Child Reimbursement $ 0.40	+	Severe Need, if applicable** $ 0.48	+	Current USDA/ Commodity Food Rate $ 0.3050	=	Minimum Adult Breakfast Meal Price 2026-2027 $ X.XX

Information to Gather

Adult Meal Prices

Formula to Determine Minimum Adult Meal Prices

CEP Districts, Lunch:

Current Free Reimbursement 2025-2026:	+	Meal Pattern Compliance, if applicable	+	Two Cent Differential, if applicable*	+	Current USDA/ Commodity Food Rate	=	Minimum Adult Lunch Meal Price 2026-2027
$ 4.60		$ 0.09		$ 0.02		$ 0.3050		$ 5.02

CEP Districts, Breakfast:

Current Free Reimbursement 2025-2026:	+	Severe Need, if applicable**	+	Current USDA/ Commodity Food Rate	=	Minimum Adult Breakfast Meal Price 2026-2027
$ 2.46		$ 0.48		$ 0.3050		$ 3.25

*Two Cent Differential is an additional reimbursement to SFAs in which 60 percent or more of the lunches served in the second preceding school year were served at free or reduced price receive two cents more.

**Severe need breakfast is a USDA program that provides a dditional reimbursement to schools serving at least 40% or more of their lunches to children who qualify for free or reduced price meals.

New Procedures for 2026-2027

Permanent Agreements

CNP Permanent Agreements

- Completed by ALL Sponsors

NSLP Addendum

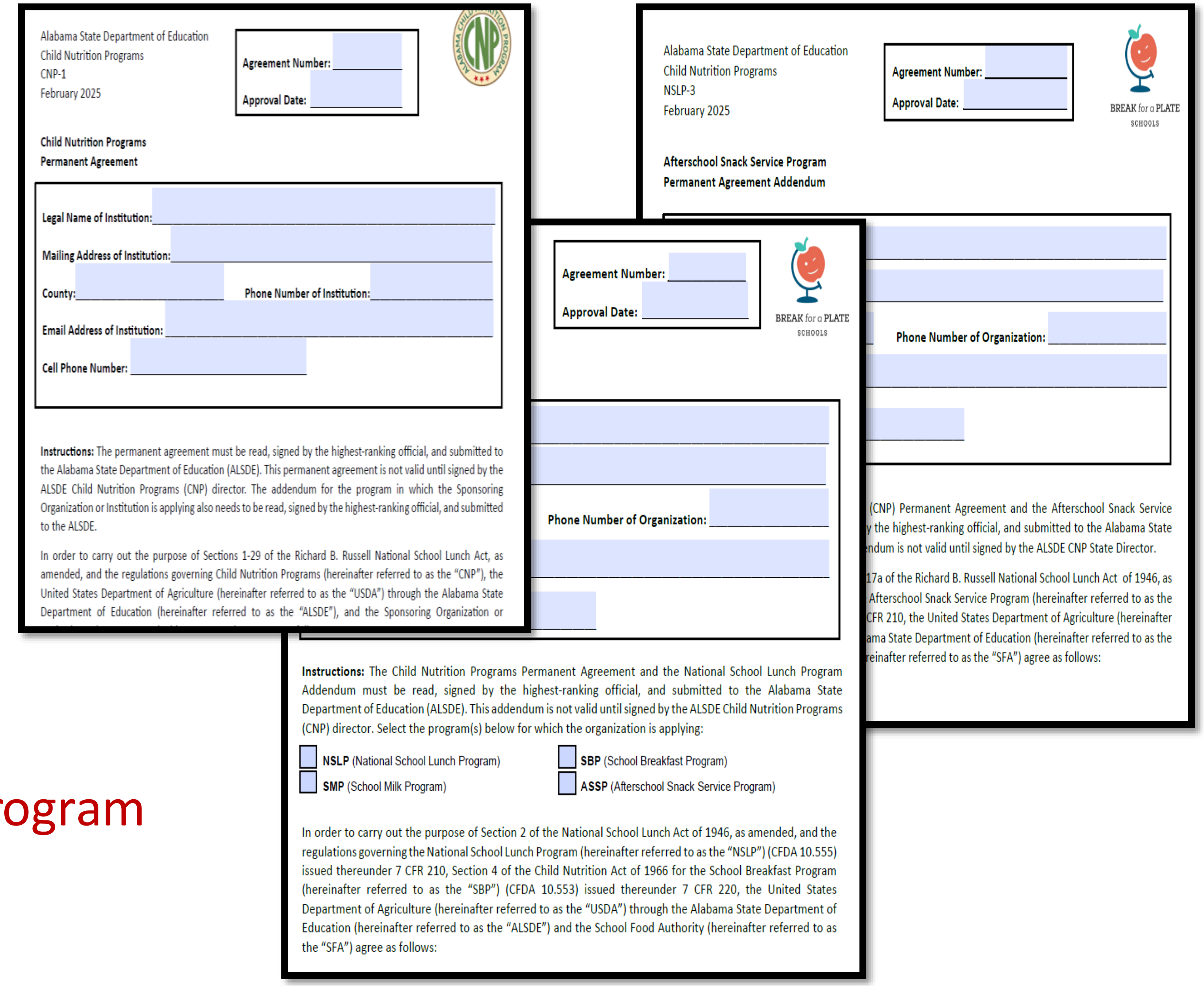
- Completed if sponsoring Breakfast/Lunch

ASSP Addendum

- ONLY if Sponsoring Snack

SMP Addendum

- Only if Sponsoring Special Milk Program



New Procedures for 2026-2027

Permanent Agreements

- Download from LINQ Online Application
- Complete Form
- Get Required Signatures

Download Forms

View: Grouped

	Form ID	Description	Last Modified	New Sponsor?
−	Permanent Agreements (4)			
	CNP Permanent Agreement	ALL Sponsors must complete	02/12/2026	N
	NSLP Permanent Agreement	All Sponsors who serve breakfast and or lunch must complete	02/12/2026	N
	ASSP Permanent Agreement	All Sponsors serving After School Snack must complete	02/12/2026	N
	SMP Permanent Agreement	All Sponsors Participating in Special Milk Program must complete	02/12/2026	N
−	Annual Agreement Forms (2)			
	Checklist Summary- N/A	Checklist Summary- N/A	05/30/2025	N
	Sponsor Meal Pattern Attestation	Yearly Sponsor Meal Pattern Attestation Statement	05/18/2025	Y

New Procedures for 2026-2027

Permanent Agreements

Upload to Attachment List

*IMPORTANT: Application cannot be approved without this agreement.

Packet Assigned To: Justin Hope

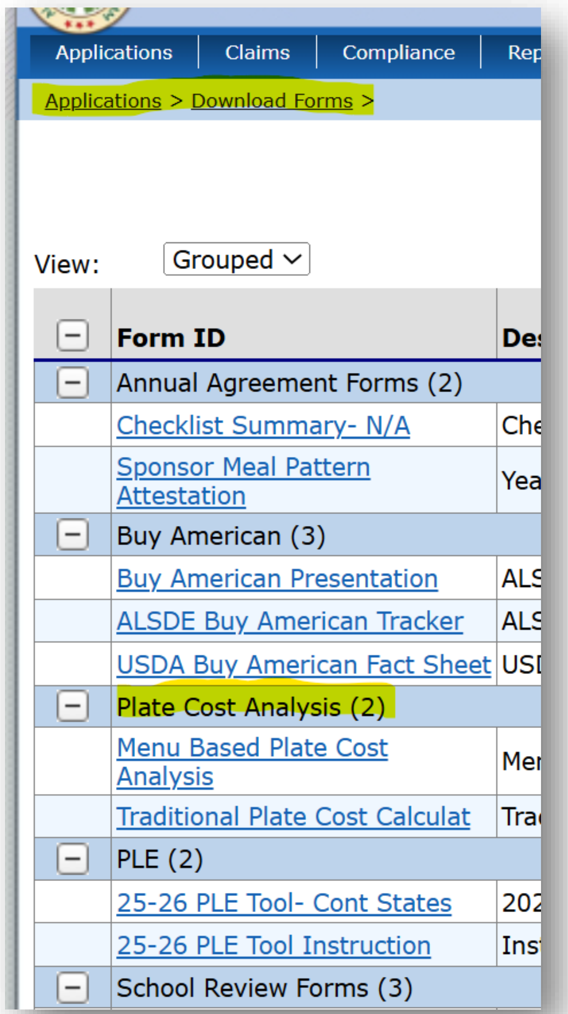
Action	Attention	Form Name	Latest Version	Status
View | Modify | Admin		Sponsor Application	Original	Not Submitted
Details	✔	Meal Pattern Compliance Dashboard		Approved
Details	➡	Checklist Summary (9)		
Details		Application Packet Notes		
View		Application Packet Notes for Sponsor		
Details		Attachment List		
Details		NDL Application Packet Dashboard (6)		Complete

Site Applications	Approved	Pending	Return for Correction	Denied	Withdrawn/ Closed	Error	Total Applications
School Nutrition Program	0	9	0	0	0	0	9

New Procedures for 2026-2027

MOU's/ MOA's- PLATE COST CALCULATION

- ✓ Prior to vending/catering contracts being approved by ALSDE School Programs, a plate cost calculation workbook will need to be submitted. The plate costs indicated in the workbook completed should be reflected in the proposed service agreements.
- ✓ SFAs can complete the Traditional Plate Cost Calculation Workbook or the Menu Based Plate Cost Analysis Workbook to determine appropriate plate costs for contracts moving forward.
- ✓ Completed Plate Costs Workbooks should be included in the SFA Checklist Summary, Miscellaneous Documents.



New Procedures for 2026-2027

Claiming Locations Based on Student Enrollment

- In order to ensure accurate student participation data for all required USDA FNS reporting, including Severe Need and Two Cent Differential designations, ALSDE will be requiring all schools to submit claims for reimbursement based on student enrollment locations beginning school year 2026-2027.

- On the Annual Agreement, there will no longer be schools designated as “Dining Location Only”. All locations of student enrollment will submit claims for reimbursement.

- Journal entry transfers from student enrollment sites to production kitchen locations can occur at a timeline established by local LEAs.

New Procedures for 2026-2027

Claiming Locations Based on Student Enrollment

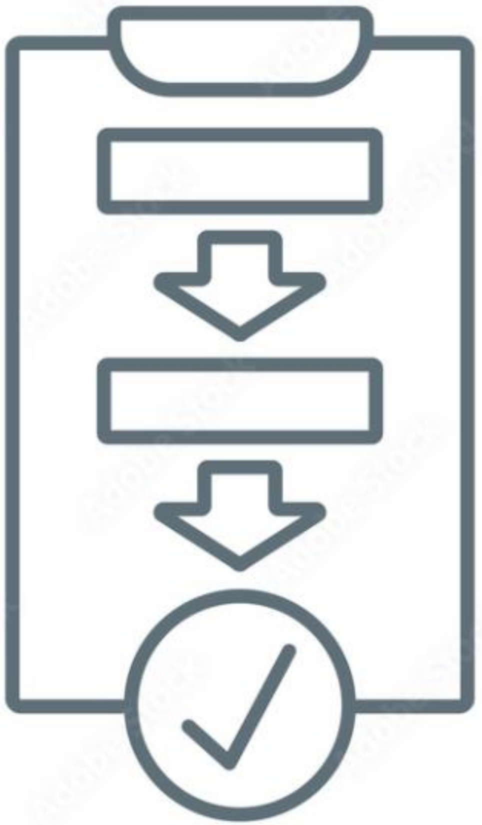
Example Impacts:
On a K-12 campus, students from three cost centers eat at one production kitchen.

Prior Practice:
Elementary School, Middle School, and High School students are claimed at the High School (Production Kitchen).

New Practice:
Three claims for reimbursement will be submitted, one from each cost center. Two journal entries can be made to send funds to from the elementary and middle schools to the high school cost center, since labor and food costs are tied to the production kitchen at the high school.

New Procedures for 2026-2027

Claiming Locations Based on Student Enrollment

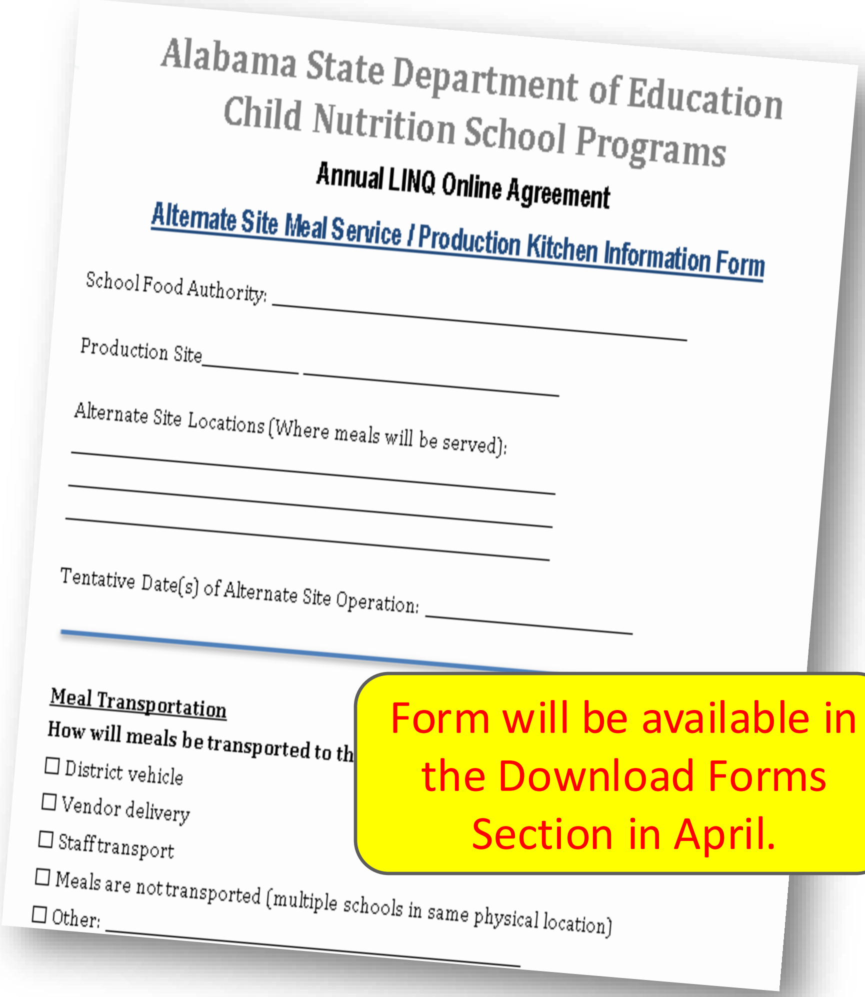


Example Impacts:
At an Alternative School, a nearby cafeteria provides meals for the students temporarily assigned to the Alternative Program.

Prior Practice:
The total number of meals provided to the Alternative School was claimed by the production kitchen.

New Practice:
The meals are claimed at the students' site of enrollment. Journal entry transfers from each of the students' enrolled schools can be sent to the production kitchen in a procedure established by the SFA.

Alternate Site Meal Service/ Production Kitchen Information Form


Alabama State Department of Education
Child Nutrition School Programs
Annual LINQ Online Agreement
Alternate Site Meal Service / Production Kitchen Information Form

School Food Authority: ______________________

Production Site______ ______________

Alternate Site Locations (Where meals will be served):
____
____
____

Tentative Date(s) of Alternate Site Operation: ____________

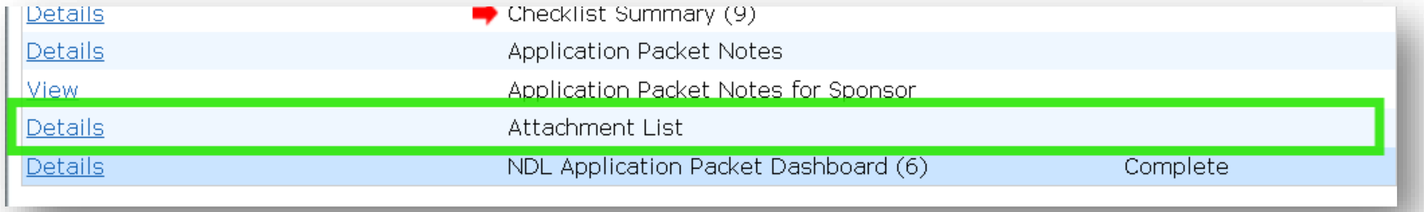
Meal Transportation
How will meals be transported to th
☐ District vehicle
☐ Vendor delivery
☐ Staff transport
☐ Meals are not transported (multiple schools in same physical location)
☐ Other: ______________________

Form will be available in the Download Forms Section in April.

Complete this form for all of the following:

- Production kitchens serving sites without cost centers
- Districts serving meals at alternate sites
  (e.g., Career Tech centers or alternative schools)
- Districts Transporting Meals
- Districts serving meals at sites without student enrollment

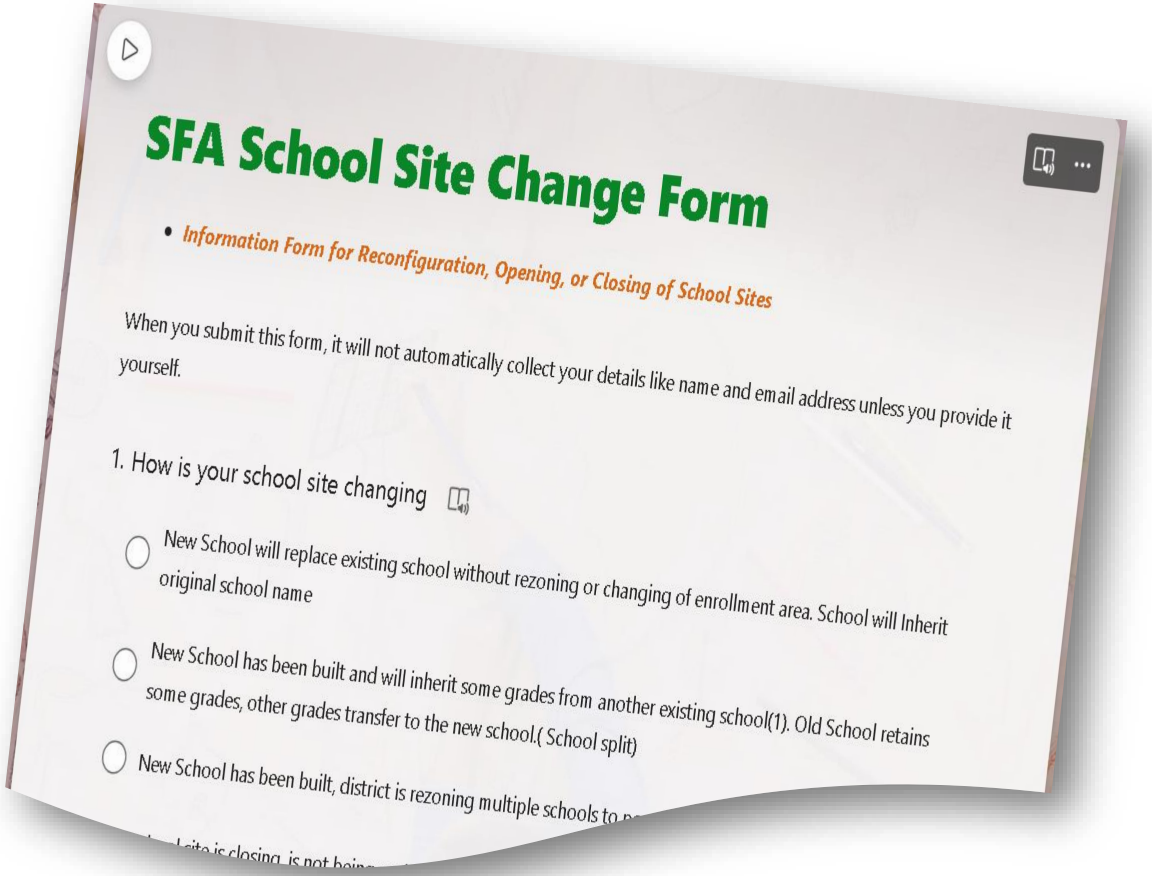
Form will be uploaded in the attachment section of the 26-27 LINQ Online application.



Details	Checklist Summary (9)	
Details	Application Packet Notes	
View	Application Packet Notes for Sponsor	
Details	Attachment List	
Details	NDL Application Packet Dashboard (6)	Complete

New Procedures for 2026-2027

School Closing, Openings & Reconfigurations



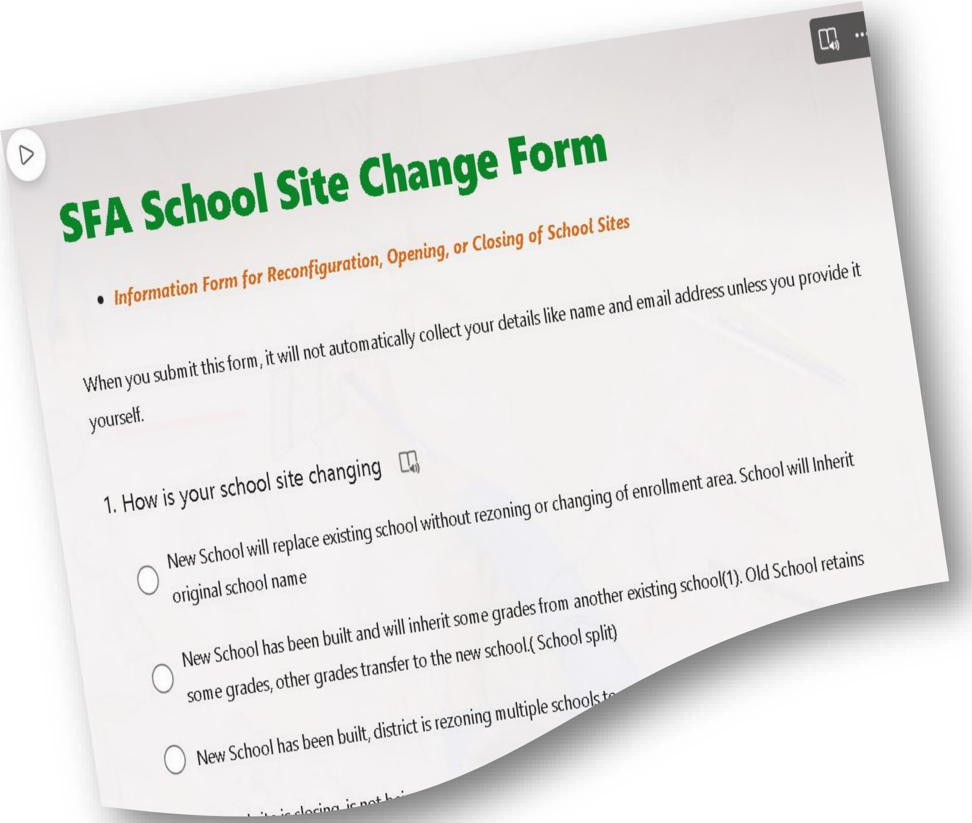
Complete this form for all of the following:

- Opening New School Sites
- Closing of Sites
- Reconfiguration / Grade Changes
- Rezoning of Schools

Form will be available early April.

New Procedures for 2026-2027

Changes to a district's school structure or student assignments impact



SFA School Site Change Form

- Information Form for Reconfiguration, Opening, or Closing of School Sites

When you submit this form, it will not automatically collect your details like name and email address unless you provide it yourself.

1. How is your school site changing

- New School will replace existing school without rezoning or changing of enrollment area. School will Inherit original school name
- New School has been built and will inherit some grades from another existing school(1). Old School retains some grades, other grades transfer to the new school.(School split)
- New School has been built, district is rezoning multiple schools to

Early notification is Crucial!

- Reporting requirements
- LINQ Online Application Setup
- CEP Eligibility
  - ✓ May require CEP Regrouping
  - ✓ May require a new base year
- SWP Purchasing accessibility
- LINQ School Nutrition usage
- USDA Foods

LINQ Reminders
&
Helpful Tips

LINQ Purchasing

- Order Confirmation Emails from Distributor to Director when order is received from LSN

- Weekly email from SWP gives updates and product changes

- LSN SWP Purchasing User Guide *(link in weekly email)*
  - Includes details on how to setup reports to separate Food, Food Supplies and Food Processing Supplies

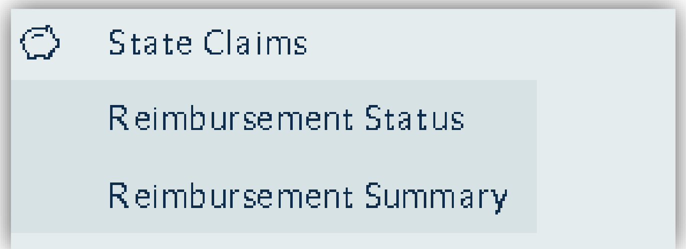
- Product Mapping(2 options)
  - Weekly (each product that is added)
  - Monthly (Import Master Mapping file when released each month)

SWP@ALSDE.EDU

Streamlined Claims

Districts Utilizing LINQ For your POS System

- Allows for a 2-step process to submit monthly claim
- Automatically Uploads all Data to the LINQ State System
  - No Manual Data Entry
- Email Me if you are interested in setting this process up.
  - We will need to complete this after the 1st of the month and before you submit your claim



Thank You!

Justin Hope
justin.hope@alsde.edu
cnpnslp@alsde.edu

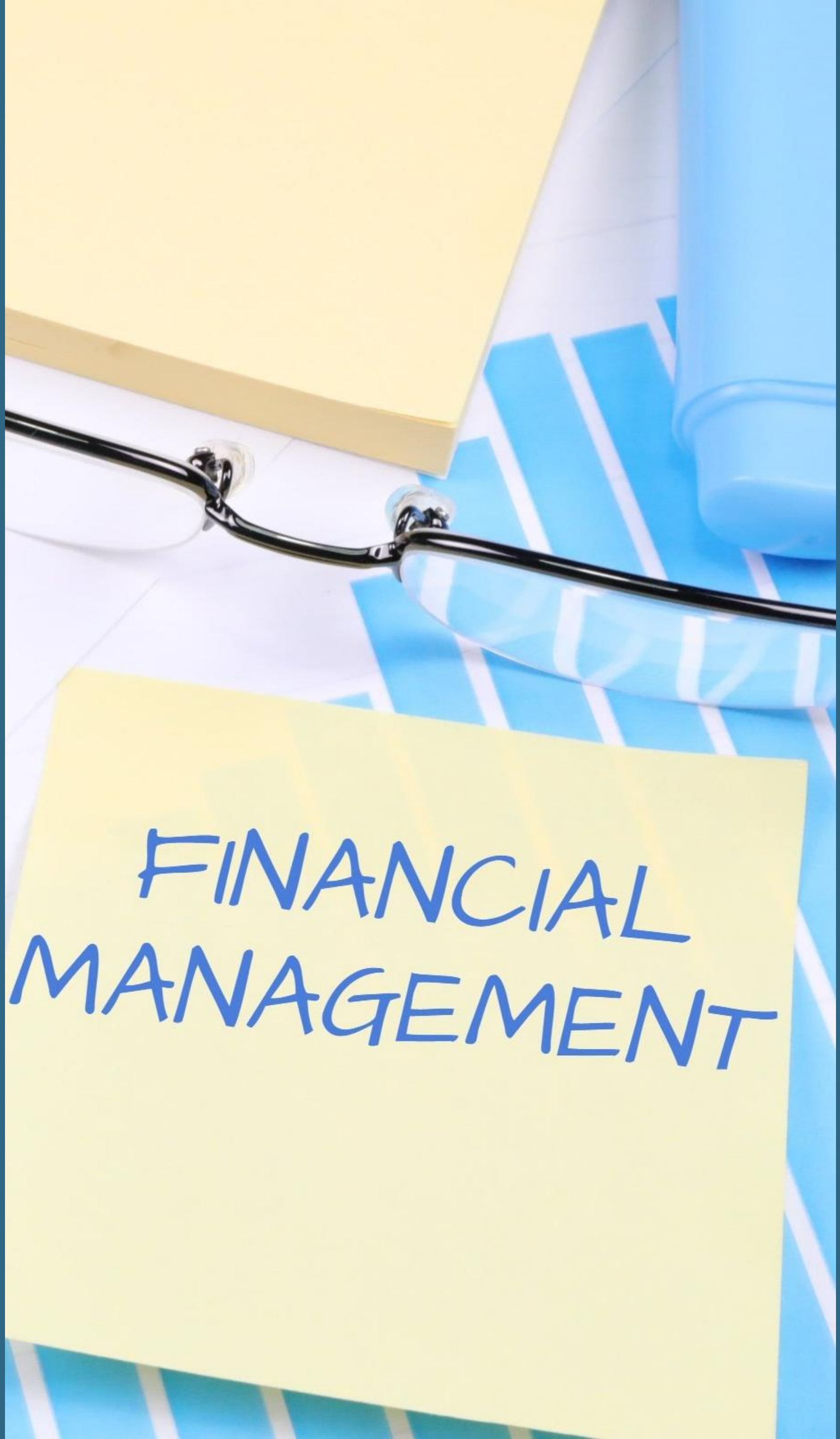
https://forms.office.com/r/104QUEbMr7

Financial Management Handbook 2026

Steven Rylant, Senior Accountant
Alabama State Department of Education
CNP School Programs
Conference

What is the Purpose of the CNP Financial Management Handbook?

- The purpose of this system is to provide Chief Financial School Officers, Child Nutrition Directors and Food Service Managers with a financial management tool to aid in decision making and to improve program quality and efficiency in the School Food Authority (SFA) operations.
- Please note that not all LEA accounting codes are allowable under the CNP.
- Please note the current handbook will be located on the www.alabamaachieves.org website. Updates will be uploaded automatically. Information will be provided on Table Talk. Contact cnpnslp@alsde.edu.



Section I: Understanding the SDE Accounting System

The **State Department of Education's** (SDE) Financial Management System is a 27-digit accounting code used for all schools in Alabama to identify each transaction and to provide uniformity of accounting and reporting information.

Please note that purchase orders and requisitions are SFA specific. Therefore, SFA's must develop procedures for including proper code usage on these documents.

Accounting Code

Based on 27 Digit Coding/Component Structure

Accounting System Components

1 2 3 4 5 6 7 8 9

_ _ / _ / _ _ _ _ / _ _ _ / _ _ _ _ / _ _ _ _ / _ / _ _ _ _ / _ _ _ _

<u>GENERAL LEDGER and SPECIAL REPORTING CODES</u>

1. FUND TYPE and ACCOUNT GROUP
2. ACCOUNT TYPE
3. ACCOUNT CODE (FUNCTION)
4. OBJECT
5. COST CENTER
6. FUND SOURCE
7. APPROPRIATION YEAR
8. PROGRAM CODE
9. SPECIAL USE

Accounting Code
Fund Type and Account Group

1. Fund Type and Account Group (2 digits)

used to identify fund types and two account groups

USDA programs are designated as Fund Type 12 (Special Revenue Fund)

Based on 27 Digit Coding/Component Structure
Accounting System Components

1 2 3 4 5 6 7 8 9
_ _ / _ / _ _ _ _ _ / _ _ _ / _ _ _ _ _ / _ _ _ _ _ / _ / _ _ _ _ _ / _ _ _ _

General Ledger and Special Reporting Codes

Accounting Code
Account Type

2. Account Type (1 digit)

used to designate five major account types

1	2	3	4	5
Assets	Liabilities	Fund Equity	Revenues	Expenditures

Based on 27 Digit Coding/Component Structure
Accounting System Components

1 **2** 3 4 5 6 7 8 9

_ _ / _ / _ _ _ _ _ / _ _ _ / _ _ _ _ _ / _ _ _ _ _ / _ / _ _ _ _ _ / _ _ _ _ _

General Ledger and Special Reporting Codes

Accounting Code Function

3. Account Code Function (4 digits)
used to designate balance sheet (assets, liabilities, and fund equity),
revenue and expenditure accounts.

Based on 27 Digit Coding/Component Structure
Accounting System Components

1 2 **3** 4 5 6 7 8 9
_ _ / _ / _ _ _ _ / _ _ _ / _ _ _ _ / _ _ _ _ / _ / _ _ _ _ / _ _ _ _

General Ledger and Special Reporting Codes

Accounting Code
Object

4. <u>Object (3 digits)</u>

used to classify in detail the services or commodities   bought or paid for

<u>This identifies the expenditures.</u>

Based on 27 Digit Coding/Component Structure

Accounting System Components

1   2   3   **4**   5   6   7   8   9

_ _ / _ / _ _ _ _ _ / _ _ _ / _ _ _ _ _ / _ _ _ _ _ / _ / _ _ _ _ _ / _ _ _ _ _

General Ledger and Special Reporting Codes

Accounting Code
Cost Center

5. Cost Center (4 digits)

used to identify each Cost Center

Each school and food service central office is given a different number to identify that site.

Based on 27 Digit Coding/Component Structure

Accounting System Components

1 2 3 4 **5** 6 7 8 9

_ _ / _ / _ _ _ _ _ / _ _ _ _ / _ _ _ _ / _ _ _ _ _ / _ / _ _ _ _ _ / _ _ _ _ _

General Ledger and Special Reporting Codes

Accounting Code
Fund Source

6. Fund Source (4 digits)

used to identify the sources of the money

Funds received from USDA-Food and Nutrition are coded 5100-5199, School Lunch Section 11 (5110), School Lunch Section 4 (5120), School Breakfast (5130), Commodities (5160).

However, use 5101 as default except for 5170 for Summer Food Service Program, 5198 Farm to School, and 5199 as CACFP fund source.

Based on 27 Digit Coding/Component Structure

Accounting System Components

1 2 3 4 5 **6** 7 8 9

_ _/ _/ _ _ _ _/ _ _ _/ _ _ _ _/ _ _ _ _/ _/ _ _ _ _/ _ _ _ _

General Ledger and Special Reporting Codes

Accounting Code
Appropriation Year

7. <u>Appropriation Year (1 digit)</u>

used to route activities to specific funding years

Based on 27 Digit Coding/Component Structure

Accounting System Components

1 2 3 4 5 6 **7** 8 9

_ _/ _/ _ _ _ _/ _ _ _/ _ _ _ _/ _ _ _ _/ **_ /** _ _ _ _/ _ _ _ _

General Ledger and Special Reporting Codes

Accounting Code
Program

8. Program (4 digits)

used to identify the plan of activities and procedures designed to accomplish a pre-determined set of objectives

CNP only uses 8420.

Based on 27 Digit Coding/Component Structure

Accounting System Components

1 2 3 4 5 6 7 **8** 9

_ _ / _ / _ _ _ _ _ / _ _ _ / _ _ _ _ _ / _ _ _ _ _ / _ / _ _ _ _ / _ _ _ _

General Ledger and Special Reporting Codes

Accounting Code
Special Use

9. **Special Use (4 digits)**

can be used to determine a greater breakdown for any of the other codes

Transfers to CNP use 0034 (State mandated raises and fringe benefits - Pass Thru) and Fresh Fruit and Vegetable Program use 0074. SFA's may choose to assign a special use code for Seamless Summer Option (SSO) to separate funding from NSLP.

Based on 27 Digit Coding/Component Structure
Accounting System Components

1 2 3 4 5 6 7 8 **9**

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General Ledger and Special Reporting Codes

Sources of Financial Information

Child Nutrition Programs (CNP) Financial Management Handbook

[Financial Management Handbook 2025]

Local Education Accounting (LEA) Accounting Manual

[Accounting Manual]

Code of Federal Regulations 7 CFR Parts 210 and 220

[eCFR :: 7 CFR Part 210 -- National School Lunch Program]

[eCFR :: 7 CFR Part 220 -- School Breakfast Program]

2 CFR 200

Uniform Grant Guidance

[eCFR :: 2 CFR Part 200 -- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards]

MOST COMMON ACCOUNTING CODES FOR CNP

Please note: If you are attempting to use a code that is not in the CNP Financial Management Handbook, please contact ALSDE CNP for approval.

1	Assets
2	Liabilities
3	Fund Equity
4	Revenue
5	Expenditure

Assets (Function) Codes

1. Use 0115 Change Cash for the cash drawers for each cafeteria.

2. Use 0118 Cash Short (Over) to reflect difference between amounts deposited and amounts reflected on cash register records. A monthly entry can be made for convenience if necessary. This account should be used for each cost center during the fiscal year and should be closed out before year-end closing.
   - If short, close account to Expenditure Object Code, 699, Other Objects.
   - If over, close to Revenue Code, 6990, Other Local Sources.

Liabilities (Function) Codes:

- **0261** **INTERFUND PAYABLE** (Amounts owed (other than charges for goods and services) to another fund in the school system and that are to be paid within the fiscal year. All Interfund Payable accounts should be reconciled before year end.)
  Please note this raises red flags if observed during monitoring reviews.

- **0271** **DEFERRED REVENUE** (A liability account which represents revenues collected before they become due or available for use. Use this account to record the receipt of a revenue that is to be recorded and made available for use during a future fiscal period.)
  Please note that if a school system has pre-paid meal accounts the SDE expects to see Deferred Revenue.

Fund Equity (Function) Codes

RESERVED FOR ENCUMBRANCES
0341

RESERVED FOR INVENTORIES
0342

UNRESERVED FUND BALANCE
0350

ENCUMBRANCE OFFSET
0358

ADJUSTMENTS TO BEGINNING BALANCE
0360

Revenue (Function) Codes: USDA Reimbursement Funds

- 5110 ▶ SCHOOL LUNCH
- 5120 ▶ SCHOOL LUNCH PROGRAM-SECTION 4 (2 CENT DIFFERENTIAL)
- 5125 ▶ AFTERSCHOOL SNACK
- 5130 ▶ SCHOOL BREAKFAST
- 5135 ▶ SEVERE NEED BREAKFAST
- 5140 ▶ SCHOOL BREAKFAST PROGRAM-START UP GRANTS
- 5160 ▶ USDA DONATED FOODS (COMMODITIES)
- 5161 ▶ CNP REBATES USDA DONATED FOOD REBATE FOR USDA FOODS (HAULING)/SAE

Revenue (Function) Codes: USDA Reimbursement Funds

Meal Reimbursement (5110, 5120, 5130, and 5135) –
This is the federal cash payment received for breakfast and lunch meals that meet federal standards and are served to eligible children. The amount received is based on the meal definition (breakfast or lunch), Category (free, reduced, or paid), and school economic status (regular lunch, $0.02 differential, regular breakfast, or severe need breakfast).

5110 (Section 11) and 5120 (Section 4) lunch reimbursement rates:

1. Please note that the current SY2024-2025 Federal Register mandates that School Food Authorities (SFA) budget the base reimbursement rate for free lunch meals ($4.01) and reduced-price lunch meals ($3.61) to 5110 (Section 11 school lunches). The Paid rate ($0.42), Free/Reduced rate ($0.42), or Free/Reduced Differential rate ($0.44), and Performance-based reimbursement rate ($0.09) per meal must be budgeted to 5120 (Section 4 school lunches). As a result, all Local Education Agencies (LEAs) are required to allocate funds to both 5110 and 5120 under the current federal guidelines.
2. This requirement is a federal regulation posted on the Food and Nutrition Service (FNS) website NSLP, SMP, SBP - National Average Payments/Maximum Reimbursement Rates | Food and Nutrition Service, not an Alabama State Department of Education (ALSDE) memorandum. The United States Department of Agriculture (USDA) publishes the annual reimbursement rates for Sections 4 and 11 school lunches each July, which means that coding requirements for 5120 (Section 4) and 5110 (Section 11) will vary annually.

Revenue (Function) Codes: USDA Reimbursement Funds

We understand that this requirement may place an additional burden on SFAs in accurately forecasting budget allocations and recording monthly lunch revenues. To accommodate this, ALSDE will not apply disciplinary action during Administrative Reviews to SFAs that may miscode Section 4 reimbursements under revenue function code 5120 or Section 11 reimbursements under function code 5110, as long as the total school lunch reimbursement revenue for both codes equals the federal reimbursement amount provided to the SFA by ALSDE for FY 2024-2025.

Outlined below is a simplified calculation for the reimbursement rates for SY 2024-2025. Please note that there are two school years in each fiscal year and the rates change each school year.

SFAs Serving less than 60% Free and Reduced-Price Lunches (Regular Lunch Rate):

1. Revenue Function Code 5120 (Section 4) School Lunch Reimbursement:
    a. Paid rate: $0.42 + Performance-based rate: $0.09 = $0.51 per meal
    b. Free rate: $0.42 + Performance-based rate: $0.09 = $0.51 per meal
    c. Reduced rate: $0.42 + Performance-based rate: $0.09 = $0.51 per meal

2. Revenue Function Code 5110 (Section 11) School Lunch Reimbursement:
    a. Free rate = $4.01 per meal
    b. Reduced rate = $3.61 per meal

SFAs Serving 60% or more Free and Reduced-Price Lunches (Safety Net/$0.02 Differential):

1. Revenue Function Code 5120 (Section 4) School Lunch Reimbursement:
    a. Paid rate: $0.42 + $0.02 Differential + Performance-based rate: $0.09 = $0.53 per meal
    b. Free rate: $0.42 + $0.02 Differential + Performance-based rate: $0.09 = $0.53 per meal
    c. Reduced rate: $0.42 + $0.02 Differential + Performance-based rate: $0.09 = $0.53 per meal

2. Revenue Function Code 5110 (Section 11) School Lunch Reimbursement:
    a. Free rate = $4.01 per meal
    b. Reduced rate = $3.61 per meal

Revenue (Function) Codes: USDA Reimbursement Funds

5130 (Regular Breakfast) 5135 (Severe Need Breakfast Rates:

Please note that the LEA must correctly budget and record the federal reimbursement rates for the school breakfast program in the appropriate revenue function code. The breakfast rates vary **per school site** on an annual basis per school year. The LEA fiscal year contains two (2) school years and therefore the LEA must forecast for budgeting and apply the correct revenue rates on a monthly basis.

School Breakfast Program Payments

Overall, payments for the National School Breakfast Program increased due to a 4.03 percent increase in the national average payment rates for schools and residential child care institutions for the period July 1, 2024 through June 30, 2025 in the Consumer Price Index for All Urban Consumers in the Food Away from Home series during the 12-month period May 2023 to May 2024 (from a level of 352.892 in May 2023, as previously published in the Federal Register to 367.099 in May 2024).

These changes are reflected below.

- **For schools "not in severe need" the payments are**: *Contiguous states* —free breakfast—2 dollars and 37 cents (9 cents increase from the SY 2023-24 rate), reduced price breakfast—2 dollars and 7 cents (9 cents increase), paid breakfast—39 cents (1 cent increase);
- **For schools in "severe need" the payments are**: *Contiguous states* —free breakfast—2 dollars and 84 cents (11 cents increase from the SY 2023-24), reduced price breakfast—2 dollars and 54 cents (11 cents increase), paid breakfast—39 cents (1 cent increase);

Revenue (Function) Codes: USDA Reimbursement Funds

- 5170 SUMMER FOOD SERVICE (Must be reported under Fund Source 5170 and not 5101 as a Sponsoring Agent)
- 5192 FRESH FRUIT AND VEGETABLE PROGRAM
- 5193 HEALTHIER US SCHOOL CHALLENGE
- 5194 EQUIPMENT GRANT
- 5195 MEAL PATTERN GRANT
- 5198 FARM TO SCHOOL GRANT
- 5199 CHILD & ADULT CARE (Must be reported under Fund Source 5199 and not 5101 as a Sponsoring Agent)

  Including all CACFP:
  Headstart, Evenstart, and At-Risk Snack

New Revenue (Function) Codes: USDA FARM TO SCHOOL GRANT

5198 Farm to School Grant:

Accounting for these funds must be separated from all other CNP income and expenditures. Please use fund source 5198 in accounting for these funds. The account codes should reflect the following format:

1. Intergovernmental Receivable: 12-1-0134-000-CCCC-5198-0-0000-0000
2. F2S Formula Grant Funds received: 12-4-5198-000-CCCC-5198-0-0000-0000
3. Travel Pay: 12-5-4210-382-CCCC-5198-0-8420-0000
4. Taste Test & Open House Food Purchases: 12-5-4210-461-CCCC-5198-0-8420-0000
5. Food Service Supplies 12-5-4210-463-CCCC-5198-0-8420-0000
6. Food Production Supplies 12-5-4210-464-CCCC-5198-0-8420-0000

Sub-grant Approved Purchases:

Smallware and small equipment intended to increase farm to school and scratch cooking operations
Examples:

1. Cutting boards, knives, immersion blender, Sunkist or equivalent sectionizer, food processor, roasting pans, regular blender, etc.
2. Food safety items and cleaning supplies may not be purchased under this grant
3. Costs for participants to attend select in-person trainings: Allowable costs include conference registration, hotel rooms, airfare (if applicable), mileage, and M & IE while in travel status.

Revenue (Function) Codes: Non-USDA Funding
This is for Local sources.

- **6710** DAILY SALES-LUNCH

  (Money received from Paid & Reduced Students lunch sales)
- **6720** DAILY SALES-BREAKFAST

  (Money received from Paid & Reduced Students lunch sales)
- **6730** DAILY SALES- A LA CARTE

  (Money received for all food sales from adults, staff, visitors, 2nd meals to students, and extra food item sales)
- **6740** DAILY SALES-OTHER

  (Vending income credited to Child Nutrition)
- **6750** SPECIAL FUNCTIONS

  (Catered Events such as, pre-game meals, teacher appreciation dinners, etc.)

Revenue (Function) Codes: Non-USDA Funding
This is for Local sources.

- 6760 ▶ SUMMER FEEDING – VENDING
- 6765 ▶ CACFP – VENDING (NEW)
- 6790 ▶ OTHER FOOD SERVICE INCOME
- 6810 ▶ INTEREST
- 6990 ▶ OTHER LOCAL SOURCES
- 8993 ▶ CNP REBATES - STATEWIDE PROCUREMENT
- 8994 ▶ FOOD DISTRIBUTION REIMBURSEMENT
- 9210 ▶ OPERATING TRANSFERS IN
- 9310 ▶ SALE OF FIXED ASSETS

Revenue (Function) Code Changes:
Farm to School Rebate

2901

Other State Sources: Farm to School Rebate

- Farm to School Rebates: Provide additional funding to sponsors of Child Nutrition Programs (CNP) from the Department Of Agriculture for using locally grown produce.

NOTE: The funds have to be allocated to the school sites by cost center.

Expenditure (Function) Codes:

3100-3900 ▶ OPERATIONS & MAINTENANCE

(Not normal to CNP. Most operations and maintenance expenses for CNP are covered by Indirect cost.)

4210 ▶ FOOD SERVICE

(Including all School Programs:
NSLP, SBP, After School Snack, SSO, Equipment Grant, and TEAM Nutrition Grant)

9340 ▶ SUMMER FEEDING PROGRAM

9341 ▶ CACFP

Expenditure (Object) Codes: Example

000-299 SALARIES

- 053 Supervisor of CNP
- 168 Other Support-Retired
- 117 Director/Asst. Dir.
- Split-Staff (Part CNP and part General fund)
- 210-290 Fringe Benefits

Expenditure (Object) Codes: Example

300s PURCHASED SERVICES

333	SOFTWARE MAINTENANCE AGREEMENT
335	SUBSTITUTES
341	EQUIPMENT/VEHICLE Repair & Maintenance
*348	GARBAGE & WASTE
*361	TELEPHONE
*371	ELECTRICITY
*372	WATER & SEWAGE
*373	NATURAL GAS
381	TRAVEL-LOCAL
382	TRAVEL-IN-STATE
383	TRAVEL OUT-OF-STATE
393	FOOD SERV. PUR.SER.

* The SFA/LEA must have prior written approval from the Alabama State Department of Education to charge directly for utilities.

Expenditure (Object) Codes: Example

400s MATERIALS & SUPPLIES

- 461 ▶ FOOD
- 463 ▶ FOOD SERVICE SUPPLIES
- 464 ▶ FOOD PROCESSING SUPPLIES
- 469 ▶ OTHER FOOD SUPPLIES
- 471 ▶ OFFICE SUPPLIES
- 479 ▶ OTHER GENERAL SUPPLIES

Expenditure (Object) Codes: Example

400s MATERIALS & SUPPLIES

- ALSDE is in the process of including the following:
- 441-Custodial Supplies
- 442-Maintenance Supplies
- 449-Other Maintenance and Operation Supplies

Please note that currently 2025 CNP Financial Management Handbook does not recognize these expense object codes.

Expenditures

General Operating & Food Production Supplies

Food Service or Regular Supplies 463 These items are used in the process of preparing, serving, and storing food. Examples are as follows:

Kitchen Utensils – Cutting knives, measuring devices, spatulas, whips, brushes, thermometers, serving utensils, protective gloves, cutting boards and other such kitchen items are included in this category.
Cookware/Ovenware – Pots, steam pans, cobbler pans, bun pans, skillets, and other similar cookware are examples for this line item.
Preparation Equipment – This category includes scales, timers, can openers, and small equipment such as blenders or hand mixers
Storage/Transport – Pan racks, dunnage racks, utility carts, can storage racks, food storage containers, storage room bins, food transport cart, and other items used for storage or transport of food are classified under this category.
Serving Line Supplies – Plates, flatware, glasses, trays, tray racks, and other similar items are considered serving line supplies.

Expenditures

General Operating & Food Production Supplies

(463) Object Code: General Operating Supplies are those used in administering and operating the school foodservice program.

Food Service Supplies or Regular Supplies 463

Cleaning Compounds	Detergents	Disinfectants
Mops/mop buckets	Brooms/dust pans	Polishes
Steel wool/scouring pads	Brushes	Wax/wax stripper
Hand soaps	Trash containers	Garbage bags
Water treatment chemicals	Dish machine chemicals	Drying agents
Sanitizer	Dish racks	Toilet paper
Paper Towels		

Expenditures

General Operating & Food Production Supplies

Food Production/Processing Supplies 464

Paper or disposable supplies used at the school site only for production and service of food are recorded under this classification.
Examples are as follows:

Napkins	Pastry bags	Pan liners
Straws	Filter paper	Parchment
Soufflé cups	Disposable cups	Disposable plates/trays
Wax paper	Foil	Paper towels
Disposable Aprons	Disposable gloves	Disposable table covers
Disposable forks, spoons, & knives		

Expenditures

General Operating & Food Production Supplies

Office Supplies 471

These items are used in the district/school office to administer the school food service program. Examples are as follows:

Adding machine tape	Binders	Desk pads
Pens, pencils, markers	Stamp pads	Staplers, staples
Data processing supplies	Printed forms	Masking tape
Time books	Rubber bands	Paper Clips
Scotch tape	Folders	Report covers
Stationery/envelopes	Computer paper	Printer cartridges

Expenditures

General Operating & Food Production Supplies

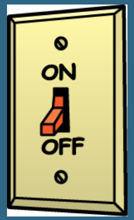
Other General Supplies 479

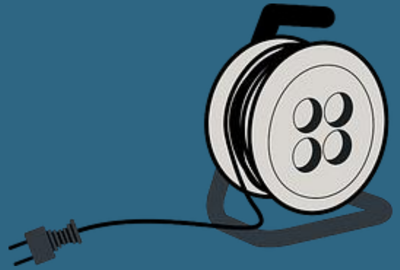
These items are purchased by the school foodservice program for the in-house repair and upkeep of CNP/USDA purchased equipment. Examples are as follows:

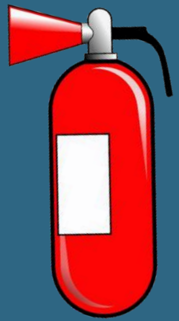
Light bulbs
Filters (water, air)
Water hoses
Electrical cords

Fuses
Floor mats
Equipment parts
Service manuals

Refrigeration supplies
Fire extinguishers
Light switches







Expenditure (Object) Codes:

NON-CAPITALIZED EQUIPMENT

(Less than $5000)

- **492 ▶ FURNITURE & FIXTURES**
- **493 ▶ NON-INSTRUCTIONAL EQUIPMENT**
- **495 ▶ COMPUTER HARDWARE**
- **499 ▶ OTHER EQUIPMENT**

Expenditure (Object) Codes:

§ 200.439 Equipment and other capital expenditures.

- Capital expenditures for general purpose equipment, buildings, and land are unallowable as direct charges, except with the prior written approval of the Federal awarding agency or pass through entity.

- Capital expenditures for improvements to land, buildings, or equipment which materially increase their value or useful life are unallowable as a direct cost except with the prior written approval of the Federal awarding agency, or pass-through entity. See 200.436, for rules on the allowability of depreciation on buildings, capital improvements, and equipment. See also 200.465

Expenditure (Object) Codes:

Alabama State Procedures as defined in the current CNP Financial Management Handbook:

Improvement of Facilities:

1. Except for the purchase of land and buildings, the State Agency retains primary responsibility for determining whether a capital project expenditure is considered an allowable cost.
2. Construction activities which increase the square footage of a building constitute the construction of a building and are not allowable, while renovations or improvements to a structure that do not increase its size would be an improvement of facilities and are therefore potentially allowable. CNP funds could not be used to add a kitchen or a dining area to an existing building. However, they could be used to convert existing space in the building into a kitchen or a dining area.
3. The addition of air conditioning to SFS facilities not currently air conditioned or the replacement of air conditioning systems in SFS facilities is currently permitted under FNS Regulations since this could be described as an improvement.
4. The SFA must request permission in writing before proceeding with any improvement projects paid with CNP funds.

Expenditure (Object) Codes:

Alabama State Procedures as defined in the current CNP Financial Management Handbook:

Criteria used to respond to requests from local school systems on the allowable expenditures of CNP funds:

1. The expenditure must not bring the system's CNP net worth below 3 months' operating balance.
2. All schools in the system must be adequately equipped with basic large equipment.
3. A request for purchase of non-food production items will require an on-site evaluation of food production equipment and facilities by SDE staff member prior to approval. Requests for approval should include the following:
    1. Local school system's CNP net worth.
    2. Description of the project requested.
    3. Name of school where project is proposed.
    4. Estimated cost of project.

Expenditure (Object) Codes:

IMPROVEMENT OF FACILITIES: COMMON UNALLOWABLE COST (Without prior written approval) but not exclusive.

1. Painting
2. Floor Waxing
3. Building HVAC (Air Condition purchases, Replacement, Maintenance, or Repair)
4. Ceiling Tile
5. Electrical or Plumbing installation, maintenance, or repair for the building that is not part of an CNP Equipment purchased with USDA federal funds.
6. Maintenance or Repairs to land, building, or equipment that was not purchased with CNP/USDA federal funds.

Expenditure (Object) Codes:

CAPITAL OUTLAY-EQUIPMENT

($5,000 and >) Requires ALSDE prior Approval.

- **541 ▶ FURNITURE & FIXTURES**
- **545 ▶ COMPUTER HARDWARE**
- **589 ▶ OTHER EQUIPMENT**

Expenditure (Object) Codes:

699 ▶ OTHER OBJECTS

910 ▶ OTHER FUND USES

- Indirect Costs

Expenditure (Object) Codes: Unallowable

- CAPITAL OUTLAY (500-599) Real Property (Use Only in Function 7000 range) (510-519)
- 511 Land
- 512 Land Improvement
- 513 Buildings-Purchased
- 514 Buildings-Constructed
- 515 Building Improvements
- 519 Other Real Property
- **Please note that these are unallowable without prior written approval.**

Expenditure (Object) Codes: Unallowable

- Buildings and Land Improvements Less Than $50,000 Buildings –
  - 701 Constructed, Less Than $50,000
  - 702 Buildings - Purchased, Less Than $50,000
  - 703 Exhaustible Land Improvements Costing Less Than $50,000
  - 704 Building Improvements Costing Less Than $50,000
- Buildings and Land Improvements Less Than $100,000
  - 711 Buildings – Constructed, Less Than $100,000
  - 712 Buildings – Purchased, Less Than $100,000
  - 713 Exhaustible Land Improvements Costing Less Than $100,000
  - 714 Building Improvements Costing Less Than $100,000
  - **Please note that these are unallowable without prior written approval.**

Special Issues – Closing of Cost Centers

CONCERNING REVENUES AND OTHER SOURCES OF FUNDS

- Each type of revenue should be coded to each school (cost center) as applicable.
- Each type of revenue should be separately reflected in the accounting records. For example, Daily Sales Breakfast, Daily Sales Lunch, Daily Sales A la Carte, etc.
- Identify required Operating Transfers from the General Fund (Pass Thru) using Special Use Code 0034.
- Allocate the Operating Transfers to each school's cost center.
- Allocate rebates to each school's cost center.
- Ensure that interest income and any type of program income is utilized only by the CNP.
- Distinguish between vending the Summer Food Service Program and sponsoring the Program or participating under "Seamless Summer".

Special Issues – Closing of Cost Centers

SPECIAL ISSUES CONCERNING EXPENDITURES

- All CNP expenditures must be broken down by each school's cost center.
- All Central Office expenditures should be allocated and posted to each school's cost center. Do not maintain a CNP Central Office Cost Center permanently! Distribute costs to each cost center on at least a quarterly basis.
- Post commodity entries by each school's cost center, as applicable.
- Refer to handout, the September 12, 2024, Memo: Procedures for Determining Participation Rates for Allocating USDA Foods and Central Office Purchases.

Special Issues – Closing of Cost Centers

What do these Special Issues mean when closing a school site?

1. LEA's are not allowed to transfer CNP funds from one cost center (school site) to another.
2. LEA's may transfer funds to follow enrolled students from the closing enrolled cost center to the new enrolled cost center.
3. LEA's may transfer CNP equipment from one cost center to another cost center or even another ALSDE CNP program such as CACFP and/or SFSP.
4. LEA's may sell CNP equipment and transfer the revenue to the central office or to reduce a negative fund balance at the closing cost center.

DETERMINING PRICES TO CHARGE AND OTHER SOURCES OF REVENUE

Determination of Meal Prices in the Child Nutrition Program (CNP)

- Student Meal Prices
- Second Meals
- Adult Meal Prices
  - Meal Prices for Non-Program School Board Employees
  - Visiting Adults
- Special Meals/Take Out Meals
- Vended Meals (e.g., meals sold to other SFAs, in-house to CACFP and/or SFSP vended meals.) This must be based on the current Plate cost for the meals.

Attachments

1. SDE Memos and Guidance
2. SDE Guidance Regarding Required Transfers
3. Allowable Costs
4. SP 19-2023 Memo (SCA Supply Chain Assistance Memo)
5. Emergency Procurement
6. SDE Requirements for Administrative Review Documentation
7. Memorandum Concerning Change in Meal Equivalents Formula
8. Equipment Request Form

Instructions for Completing the Worksheet for Calculation of State-Mandated Raises for CNP Staff

Instructions for completing the annual Pass-Thru Workbook are provided in the handbook.

SCHOOL BREAKFAST AND LUNCH PROGRAMS ALLOWABILITY OF COSTS

- Allowability of Cost for Program Incentive Items

1. Program incentive items can be allowable if they are considered reasonable and necessary costs that promote the specific program purposes of outreach and nutrition education promotion.

2. Examples of allowable items: **Nutrition Education:** calendars that contain important nutrition education messages and refrigerator magnets picturing the food pyramid. **Outreach/Program Marketing/PR:** tee-shirts, buttons, pens, cups or other items of nominal value with reasonable opportunity for public display that contain a program promotional message.

3. Example of some unallowable items: Celebratory items, or items designed primarily as staff morale boosters, generally for the personal use of the staff, with minimum public display; items of nominal value which have no outreach or nutrition education message; any program incentive item intended for persons who are not participants, potential participants or their parents/guardians, or for persons with no connection to the subject Programs.

SCHOOL BREAKFAST AND LUNCH PROGRAMS ALLOWABILITY OF COSTS

2 CFR 200.430(f) **Incentive compensation.** Incentive compensation to employees based on cost reduction, efficient performance, suggestion awards, or safety awards is allowable to the extent that the overall compensation is determined to be reasonable and such costs are paid or accrued according to an agreement entered into in good faith between the recipient or subrecipient and the employees before the services were rendered, or according to an established plan followed by the recipient or subrecipient so consistently as to imply, in effect, an agreement to make such payment.

- 2 CFR 200.430(f) outlines the conditions under which incentive compensation for employees is allowable under federal regulations. Here's an interpretation of the regulation:

1. **Incentive Compensation Types**: Incentive compensation can be given to employees for things like cost reduction, efficient performance, suggestion awards, or safety awards.
2. **Reasonableness**: The total compensation, including any incentive pay, must be considered reasonable. This means the compensation should not be excessive in relation to the work performed and the industry standards.
3. **Agreement/Plan Requirement**: **(Must be a Board Approved Policy)**
   - The incentive compensation must be based on a prior agreement between the subrecipient (SFA) and the employee **before** the services are rendered. This ensures that both parties have clear expectations about the incentive structure.
   - Alternatively, the incentive can be based on an **established plan** that the subrecipient (SFA) follows consistently, so much so that it effectively creates an implicit agreement to provide such payments.

- In summary, incentive compensation is allowed if it is reasonable, agreed upon in advance (either through a formal agreement or a consistent plan), and tied to specific performance criteria such as cost-saving or safety achievements.

- Please note that if the incentive pay in based on training /certification then it should be coded to as a stipend and not a supplement.

Unallowable Costs

- Worthless checks and uncollected charges
- Fines and penalties
- Unapproved and unallowable capital expenditures
- Entertainment
- Individual memberships or non-school nutrition memberships
  - District owned membership for all CNP employees to the School Nutrition Association is an allowable expenditure

Unallowable Costs

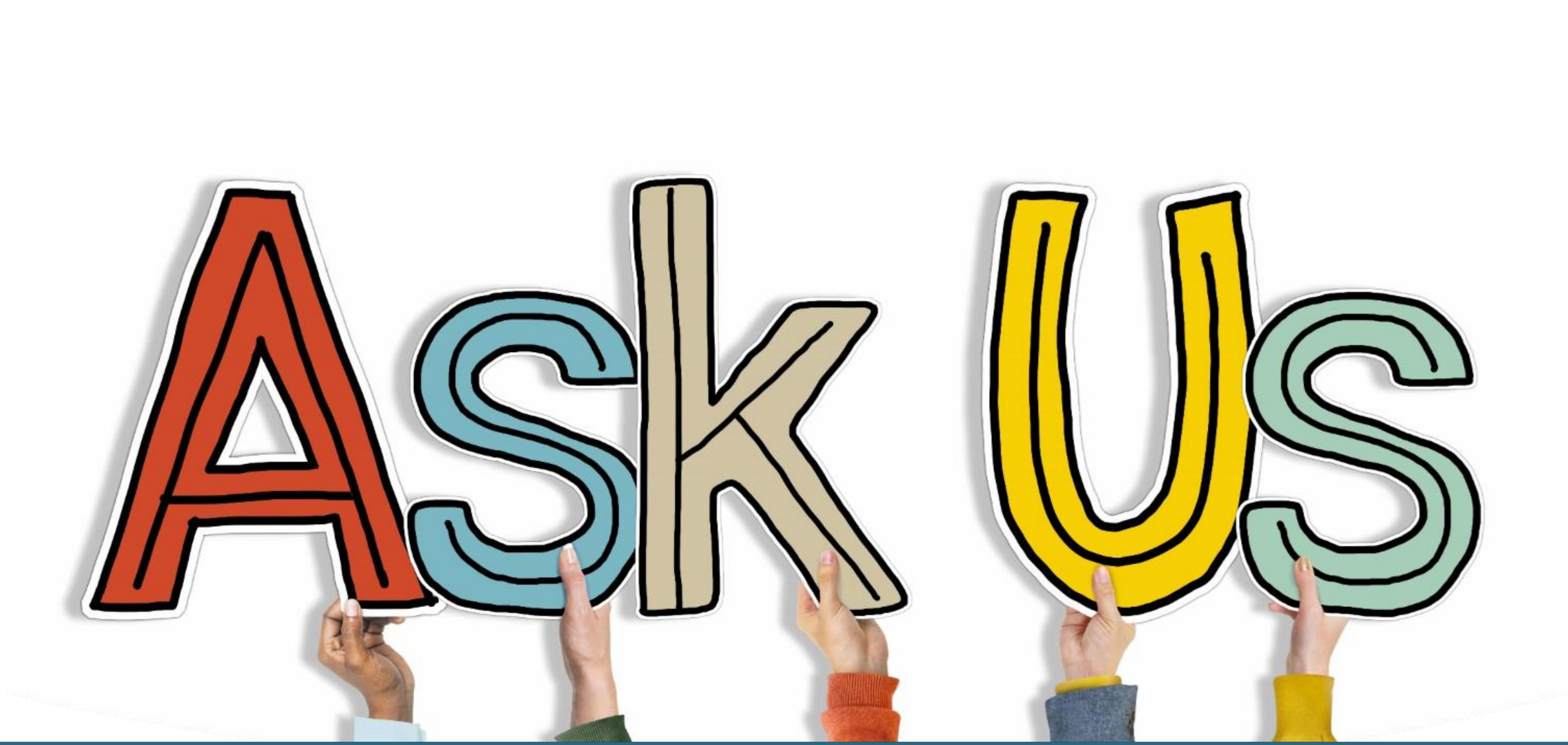
- Maintenance to the kitchen and/or cafeteria that is not a direct cost for food service, processing, and production if the SFA is approved to pay indirect cost.
  - For example, if the SFA wishes to repaint the cafeteria and is approved for indirect cost, then the general fund should cover the cost of repainting.

Questions?
Thank you!

Steven Rylant
swrylant@alsde.edu
cnpnslp@alsde.edu

https://forms.office.com/r/104QUEbMr7

Questions?



Community Eligibility Provision (CEP)

for School Year 2026-2027

ALSDE-LEA CEP Training and Guidance

February 23, 2026
ALSDE Spring Conference

ALSDE Staff:

Child Nutrition School Programs: Julie Autrey, CN School Programs Administrator,
Chad Langston, Education Specialist II and
Susanne Reeves, Education Specialist
Federal Programs: Dr. Calandra Hawkins, Education Administrator
Administration and Finance: Sonja Peaspanen, Education Administrator
PowerSchool: Stacy Royster, Education Administrator

Agenda

- Welcome and CEP Updates – Julie Autrey
- CEP Overview, Benefits and Eligibility Direct Certification (DC) – Chad Langston
- CEP as a 4-Year Pilot
- CEP Multiplier and Federal Reimbursement
- CEP or Provisions 1, 2, or 3
- CEP: Title I and Federal Programs - Dr. Calandra Hawkins
- Direct Certification, PowerSchool and ALSDE – Stacy Royster
- CEP: Administration and Finance - Sonja Peaspanen
- CEP and Financial Implications - Susanne Reeves
- CEP Grouping and the Online Application
- Q&A

USDA Food and Nutrition Service (FNS) CEP Guidance

- On October 26, 2023, FNS published a final rule to expand access to CEP by lowering the minimum identified student percentage from 40 percent to 25 percent.
- Provides greater flexibility for states and schools to choose to invest non-Federal funds to offer no-cost meals to all enrolled students.
- As a result, more students, households, and schools have the opportunity to experience CEP's benefits, such as increasing access to school meals at no cost, eliminating unpaid meal charges, minimizing stigma, and streamlining meal service operations.

Exciting news for ALABAMA!!

CEP PARTICIPATION

95% Increase

SY2023	SY2024	SY2025	SY2026
66 Districts	127 Districts	136 Districts	144 Districts
518 Schools	1013 Schools	1127 Schools	1160 Schools

SY2026 NSLP Data

- 193 School Food Authorities
  - 149 Public Schools
  - 19 RCCIs (Not eligible for CEP)
  - 20 Private Schools
  - 5 Charter Schools
- 144/174 School districts operate under CEP (82.76%) – 30 Districts
- 1160/1402 schools operate CEP (82.74%)
- 565,975 students have access to school meals at no cost, including 6,718 new students in SY2026
- 149 eligible schools are not participating.
- 52 of the non-CEP schools offer Universal Breakfast

Community Eligibility Provision (CEP)

- The Community Eligibility Provision (CEP) was first introduced in the Healthy Hunger Free Kids Act of 2010 as a non-pricing meal service option for schools and school districts in low-income areas.
- CEP allows the nation's high poverty schools and districts to serve breakfast and lunch at no cost to all enrolled students without collecting household applications. A benefit everyone enjoyed during the pandemic.

565,975 students in Alabama benefit from meals at no cost during the school day.

- Schools that adopt CEP are reimbursed using a formula built on the percentage of students who are categorically eligible for free meals based on their participation in specific means-tested programs such as the Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF) and the Food Distribution Program on Indian Reservations (FDPIR) and Medicaid.
  - These are Directly Certified (DC) students that are electronically matched through the state department's work with the Alabama Department of Human Resources and the Medicaid Agency.

Benefits of CEP

CEP allows high-poverty schools and school districts to offer breakfast and lunch at no cost to all students! **It's a win-win** for students, schools, and parents!

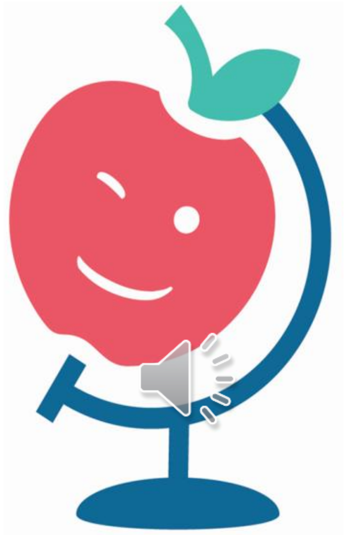
- Gives students equal access to school meals at no cost
- Ensures ***every*** student is nourished and ready to learn
- Reduces administrative paperwork and can improve financial feasibility of School Nutrition Programs
- Maximizes the federal reimbursements
- Eliminates unpaid school meal charges
- Increases school meal participation
- minimizes student peer-group stigma and
- Makes it easier to implement innovative breakfast models such as:

Grab and Go Breakfast kiosk, Breakfast in the Classroom, and Breakfast After the Bell

CEP Eligibility

Who may participate?

Public schools, private schools, and charter schools who participate in the National School Lunch and Breakfast Program (NSLP) with an Identified Student Percentage (ISP) of ***25%*** or greater by April 1st. The annual CEP Eligibility Notification will be emailed out on or around 4/15/26.



Who is an Identified Student?

Categorically Eligible:

- Directly Certified (DC) Students who participate in SNAP, TANF, or FDPIR

Other Source Categorically Eligible:

- DC students who are designated by LEA liaisons as Homeless, Runaway, Migrant, or Foster children who are non-electronic matches
- Households with children who are categorically eligible may be eligible for free benefits and should contact the school or LEA for assistance in receiving benefits through DC extended eligibility. (Foster children are an exception to this)

CEP and Direct Certification

- Direct Certification (DC) is a process conducted by states and local educational agencies (LEAs) to certify eligible children for free meals without the need for household applications.

- Since the introduction of direct certification in 1986, Congress and USDA have taken a number of legislative and policy steps to strengthen direct certification.

- Congress passed the 2004 Child Nutrition and WIC Reauthorization Act that required LEAs to establish systems to directly certify children from Supplemental Nutrition Assistance Program (SNAP) households to receive school meal benefits by school year (SY) 2008-2009.
  - Alabama has reached its benchmark of a 95% matching rate for direct certification through SNAP.

Benefits of Direct Certification

- Reduces Paperwork Burden: Eliminates the need for directly certified households to submit school meal applications, and the verification of income requirement.
- Improves Program Access by reaching eligible students who may not be receiving NSLP and SBP benefits.
- Impacts Program Integrity by increasing student certification accuracy.
- Increases Identified Student Percentages (ISP) by increasing the number of students certified for free meals for CEP measures.
- ALSDE and the Alabama Department of Human Resources work together to electronically match students across the state of Alabama. Over 750,000 students are listed on the direct cert file and over 430,000 students are in public schools in Alabama.

NOTE: DC does not apply to students eligible for reduced price meals. Those students are still required to complete a F/R application.

CEP and DC Medicaid

- DC Medicaid certifies students for Free and Reduced-Price Meals by allowing authorized states and school districts to use information from Medicaid data files to identify students, so that eligible students can be certified for meals without the need for household applications.

- ALSDE CNP partnered with the Alabama Medicaid Agency to develop data sharing agreements and processes for electronically matching all DC Medicaid students.

- All DC Medicaid students must be electronically matched between the State Agency and Medicaid Agency.

Think about CEP as a Pilot Program

- Lock-in the April 1, 2026, DC% for a 4-year cycle
  - DC% may be updated annually if ISP increases
- Promote and advertise
- Re-evaluate each year of the 4-year pilot
- Build a Public Relations Campaign
- Possibilities to consider:
  - USDA may add a universal meal program within the next four year
  - Possible State legislation to offset school meal costs.
  - Alabama Medicaid expansion could maintain current ISP.

If CEP doesn't work financially, LEAs may return to standard operating procedures at any time.

CEP Multiplier

The ISP (or the DC%) is multiplied by a factor of 1.6 to determine the percentage of total meals served that will be reimbursed at the FREE rate.

The remaining percentage of total meals is reimbursed at the PAID rate.

Remember: If ISP is greater than or equal to 62.5, all meals are reimbursed at FREE rate.

- **62.5% is the magic #**
- **SY2025 95 SFAs were 62.5%**
- **For SY2026 the number has decreased to 78 SFAs at 62.5% ISP**

**The multiplier approximates what the free and reduced-price percentage would be if applications were still collected.

NSLP SY 2025-2026 Reimbursement Rates

ALABAMA STATE DEPARTMENT OF EDUCATION
CHILD NUTRITION PROGRAMS
2025-2026
FEDERAL CASH REIMBURSEMENT RATE COMPARISON

7/1/2025 – 6/30/2026

NATIONAL SCHOOL LUNCH PROGRAM	Less than 60% Qualify Free/ Reduced	Less than 60% F/R + 9 cents	60% or more Qualify Free/ Reduced *(*Two Cent Differential)*	60% or more F/R + 9 cents
Paid	0.44	0.53	0.46	0.55
Reduced Price	4.20	4.29	4.22	4.31
Free	4.60	4.69	4.62	4.71

**SFAs are eligible for the two cent differential if 60 percent or more of the NSLP lunches served in the second preceding school year were at the free or reduced price rate.*

SCHOOL BREAKFAST PROGRAM	Non-Severe Need	**Severe Need (Maximum)
Paid	0.40	0.40
Reduced Price	2.16	2.64
Free	2.46	2.94

***Schools are eligible for severe need breakfast reimbursement rates if 40 percent or more of NSLP lunches served to students at school during the second preceding school year were at the free or reduced price rate.*

AFTERSCHOOL SNACK	
Paying Child	0.11
Reduced Child	0.63
Free	1.26

SPECIAL MILK PROGRAM	All Milk	Paid Milk	Free Milk
Pricing programs without free option	0.27	N/A	N/A
Pricing programs with free option	N/A	0.27	Average cost per ½ Pint of Milk
Non-pricing programs	0.27	N/A	N/A

Food Distribution Program: Value of Donated Foods = $.3050

Identified Student Percentage (ISP) of 62.5% is Magic

ISP – Calculation Formula

ISP = # Identified Students (DC students) / Total #Enrolled Students

25 Direct Certified Students / 100 Enrolled students

25 / 100 = .25 x 100 = 25%

For Reimbursement:

25% X 1.6 = 40%

Identified Student Percentage (ISP)	Percentage of Meals Reimbursed at the Free Rate	Percentage of Meals Reimbursed at the Paid Rate
25%	40%	60%
40%	64%	36%
45%	72%	28%
50%	80%	20%
55%	88%	12%
60%	96%	4%
62.5%	**100%**	**0%**

ISP must be 62.5% to claim 100% of meals served at the FREE reimbursement rate.

2025-2026 Reimbursement Rates

	PAID	FREE
Breakfast	\$.40	\$2.46
Lunch	\$.53	\$4.69

100 Lunch Meals Served at 25% DC

40% FREE = 40 x \$4.69 = \$187.60

60% PAID = 60 x \$.53 = \$ 31.80

\$219.40

100 Lunch Meals Served at 62.5% DC

100% FREE = 100 x \$4.69 = \$469.00

CEP Eligibility
Full District or Partial District

School Districts may choose to operate CEP district wide (especially if the average DC% is 62.5%) or Partial district with an average DC% for all eligible schools.

Districts partially implementing CEP may term CEP as a benefit available in some schools, similar to language immersion, Science, Technology, Engineering and Mathematics (STEM) programs, and international baccalaureate programs.

CEP Outreach for Partial District Implementation

- Consider operating in schools that are in the same attendance area.
- **Provide Clear, consistent communication**
- **Conduct outreach**
- **Successful communication strategies include**:
  - Placing CEP notifications prominently on websites and in any “back-to-school” packets;
  - Sending email notifications to households;
  - Holding information sessions for families; and/or
  - Providing CEP information at school board meetings and “back-to-school” nights.

Eligibility Year

4-Year Cycle

ISP information is locked in for four (4) years with the following exceptions:

- **District is protected from a decreased ISP for the a 4-year period,**
- **If ISP increases, the district may select the higher ISP and start a new four (4) year cycle using the higher ISP.**
- **Districts may opt out of CEP if not a financially viable option.**

Grace Year

If the ISP falls below the 25% eligibility threshold but is above 15% in the 4th Year of a CEP cycle, SFAs are eligible for a "Grace Year" that would be the 5th year of operating.

When the decision is made to discontinue CEP the SFA must:

- Complete the online application by June 30th,
- Notify parents stating that F/R Apps are required
- Send out and approve meal applications after July 1 or when school begins.
- Provide a 30-day carryover of meal status eligibility for the new school year or until an application is processed.

Carryover of Eligibility

- Regulations provide that students determined eligible for free or reduced-price meals may have their eligibility status carried over for up to 30 operating days into the subsequent school year or until a new eligibility determination is made.
- Providing a 30-day carryover ensures students do not accrue unpaid meal charges before individual eligibility is determined
- ALSDE allows consistent carryover policies providing up to 30 operating days of meals at no cost to students moving from a Provision school to a non-provision school, enhances operational ease for local program operators and prevents confusion for parents.
- Carryover supports low-income students and their families during the transition from a provision school to a non-provision school

Transfer of Eligibility

Students must receive meals at no cost for up to 10 operating days when transferring from a Provision school to a non-Provision school in the same LEA* during the school year.

Alabama State Department of Education has the discretion and has chosen to extend this access to up to 30 operating days.

* July 1, 2020, this requirement was extended to all similar transfers between LEAs.

USDA Citation: 7 CFR 245.9(l)

Other Provisions for Serving Meals at No Cost

Provision 1:

- Simplified Applications
- Schools where 80% or more students are eligible for free and reduce price meals
- Children eligible for free meals are certified every 2 years

Provision 2:

- No minimum % of free or reduced price
- ALL STUDENT MEALS AT NO CHARGE
- Process applications in the Base Year
- Base year: Eligibility determinations and daily meal counts by type and claim reimbursement from these counts.
- Subsequent years:
    - Count daily total reimbursable meals
    - Claim reimbursement by type using base year percentages
    - Process allocates the meals to free, reduced price, and paid which are then submitted with the monthly Claim for Reimbursement

Provision 3

- No base year
- Use last year's eligibility for making base year determinations
- 4-year cycle
- Claim same level of reimbursement each year with some adjustments for 4 years

Provision 2 and Community Eligibility Provision (CEP)

Provision 2	CEP
No minimum economic profile (free/reduced income level) to participate	Schools must have 25% Directly Certified to participate
Claiming percentages are established in the base year by actual Free, Reduced Price and Paid meals served	Claiming percentages established based on Direct Certification only
Available to schools that serve lunch only	Participating schools must serve both breakfast and lunch
Can separate and select Provision 2 option for Breakfast only, Lunch only or both meals	Both breakfast and lunch meals must be claimed at the established percentage

Provision 2

Establish a base year:

- A base year, the first year, is conducted, to establish Free, Reduced Price and Paid meal percentages.
- Collect Free/Reduced Price applications and direct certification throughout the year.
- Count and claim meals by eligibility category**.**

A four-year claiming option:

- reduces the burden of processing applications
- allows schools with high numbers of participating low-income children to serve meals at no cost to all students.

This potentially increases participation in school meal programs and decreases school food service administration costs.

ALSDE highly recommends that a district have at least 2-½ months operating balance before being considered for provision 2.

State agency may approve an extension of the Provision 2 program for another four years.

Provision 2 Approval Process

Step 1

Submit a letter to the SDE Director requesting to be considered for operating Provision 2.

Step 2

Prior to approval, SDE will conduct an onsite feasibility study.

Step 3

Approval or Denial letter will be sent to system based on onsite and financial analysis.

Child Nutrition Programs (CNP) and Federal Programs (FP)

Dr. Calandra Hawkins, Education Administrator
ALSDE Federal Programs
ALSDE-LEA CEP Training and Guidance

Title I, Part A Eligibility

- A school must have at least 35% poverty or be above the districtwide poverty percentage to be eligible for Title I Targeted Assistance (TA).

- A school must have at least 40% poverty to be eligible for Title I Schoolwide (SW).

- All schools above 75% poverty must be served.

Ranking and Serving Schools by Poverty

Using the poverty percentages collected from the Free and Reduced Lunch Data or Direct Certification Data (CEP schools), the LEA Federal Programs Director:

- Identifies schools that are eligible for Title I
- Ranks the schools in order according to poverty percentages
- Determines the per pupil allocation (PPA) amount for Within-District Title I, Part A school allocations

Schools with the highest poverty percentages must receive the same amount per pupil or higher than schools with lower poverty.

Per Pupil Allocation (PPA) Low Income Count (Used for Within-District allocations)

Non-CEP Schools and First Year CEP Schools

The PPA Low Income percentage for Non-CEP and First Year CEP Schools is determined by adding the number of Free & Reduced students and dividing that number by the total enrollment.

CEP Schools beyond Year 1

To find the PPA Low Income percentage for CEP schools beyond year 1:

1. Determine Low Income Count (free DC students X 1.6). Divide that number by the total enrollment.
2. If the Low Income Percentage is 100% or greater the PPA Low Income Count will be equal to the school's total enrollment.
3. If the Low Income Percentage is under 100%, then the PPA Low Income Count will be equal to the school's Low Income Count and not the total enrollment.

Per Pupil Allocation (PPA) Low Income Count (Used for Within-District allocations)

LEAs with All CEP Schools

LEAs may choose not to apply the 1.6 multiplier for Title I, Part A ranking and serving purposes. In this case, the LEA will rank the schools according to the original poverty rate (number of free students divided by total enrollment) without the 1.6 multiplier. If the LEA chooses this option, it must enter the order in which the schools will be served under the *Sort Order* column on the Building Eligibility page in e-GAP 2.0. The LEA must also add a comment to the History Log stating it is choosing not to apply the 1.6 multiplier for Title I, Part A ranking and serving purposes.

Per Pupil Allocation (PPA) Low Income Count (Used for Within-District allocations)

LEAs with Both CEP Schools and Non-CEP Schools

LEAs may choose to use the 1.6 multiplier for CEP schools and the number of students approved for free and reduced-price meals for non-CEP schools. This is the method that is automatically used in e-GAP 2.0. LEAs have two other options available to derive a common poverty metric.

Per Pupil Allocation (PPA) Low Income Count (Used for Within-District allocations)

LEAs with Both CEP Schools and Non-CEP Schools

Option 2: LEAs may choose to use the number of directly certified students in both CEP and non-CEP schools. The number of directly certified students identified at each non-CEP school can be found in the Socio-Economic Indicator Portal in AIM. If the LEA chooses this option, it must enter the order in which the schools will be served under the Sort Order column on the Building Eligibility page in e-GAP 2.0. The LEA must also add a comment to the History Log stating it is choosing to use the number of directly certified students in both CEP and non-CEP schools for Title I, Part A ranking and serving purposes.

Option 3: LEAs may choose to apply the 1.6 multiplier to the number of directly certified students in both CEP and non-CEP schools. The number of directly certified students identified at each non-CEP school can be found in the Socio-Economic Indicator Portal in AIM. If the LEA chooses this option, it must enter the order in which the schools will be served under the Sort Order column on the Building Eligibility page in e-GAP 2.0. The LEA must also add a comment to the History Log stating it is choosing to apply the 1.6 multiplier to the number of directly certified students in both CEP and non-CEP schools for Title I, Part A ranking and serving purposes.

Services Portal

AIM.ALSDE.EDU/

My Services Help

ALSDE Leave Form		SDE Accounting
Pupil Transportation Certification		Pupil Transportation
Schedules		Educator Certification
SchoolWide/ Targeted Assistance (SWTA) Application		Federal Programs
Assessment Review Portal	No access	Student Assessment
College and Career Readiness (CCR)	No access	Prevention & Support
Socio Economic Indicator		Federal Programs
Student Data		Federal Programs
Teacher Lookup		Educator Certification
Cluster Manager	No access	Career Technical Education
Cohort	No access	Prevention & Support
Personnel Requirements	No access	Educator Certification
Career Tech Placement	No access	Career Technical Education
Certificate Lookup	No access	Educator Certification
Certification Search	No access	Educator Certification
Education Report Card (review)	No access	Evaluation and Accountability
Foundation	No access	LEA Accounting
TEACH	No access	Educator Certification
Course Requirements	No access	Instructional Services
Dropout	No access	Prevention & Support
On-Line Renewal	No access	Educator Certification
Personnel Lookup	No access	Educator Certification
Differentiated Support Plan	No access	Student Learning

District’s Poverty Percentage

66.99% Free
<u>+6.68% Reduced</u>
73.67% Free and Reduced

Socio Economic Indicator

SEI.ALSDE.EDU/

App Home Administration Reports Help

Socio Economic Indicator Selection

School Year: 2023; 2022-2023

System: 037 - Jefferson County

Collection: Fall (20th Day)

Choose Fields Export Data

Drag a column header here to group by that column

System Code	System Name	Enrollment	Free	Free %	Reduced	Reduced %	Free + Reduced	Free + Reduced %
037	Jefferson County	34667	23223	66.99	2317	6.68	25540	73.

Choose Fields

Drag a column header here to group by that column

School Code	School Name	Enrollment	Free	Free %	Reduced	Reduced %	Free + Reduced	Free + Reduced %	CEP	Title I	Provision 2	Provision 2 Base Year	First CEP Year	Low Income Student Count	Low Income Student Percentage	Recalculation of Low Income * Multiplier	Recalculation of Low Income * Multiplier Percentage
0030	Adamsville Elementary School	299	244	81.61	8	2.68	252	84.28	☑	SW	☐		2021	244	81.6053	390	130.4347
0050	Bagley Elementary School	520	202	38.85	44	8.46	246	47.31	☐	Not Title 1	☐			246	47.3076	246	47.3076
0078	Minor Middle School	719	593	82.48	31	4.31	624	86.79	☑	SW	☐		2021	593	82.4756	948	131.8497
0095	Bragg Middle School	739	352	47.63	42	5.68	394	53.32	☐	Not Title 1	☐			394	53.3152	394	53.3152
0110	Brighton School	345	285	82.61	8	2.32	293	84.93	☑	SW	☐		2021	285	82.6086	456	132.1739
0135	Brookville Elementary School	184	147	79.89	5	2.72	152	82.61	☑	SW	☐		2021	147	79.8913	235	127.7173
0138	Bryan Elementary School	679	234	34.46	21	3.09	255	37.56	☐	Not Title 1	☐			255	37.5552	255	37.5552
0141	Bryant Park Elementary	663	511	77.07	62	9.35	573	86.43	☑	SW	☐		2023	573	86.4253	573	86.4253
0160	Center Point Elementary School	533	461	86.49	9	1.69	470	88.18	☑	SW	☐		2021	461	86.4915	737	138.2739

Bryant Park = 67.65%

School Year: 2022; 2021-2022

System: 037 - Jefferson County

Collection: Fall (20th Day)

Drag a column header here to group by that column

School Code	School Name	Enrollment	Free	Free %	Reduced	Reduced %	Free + Reduced	Free + Reduced %	CEP	Title I	...vision	Provision 2 Base Year	First CEP Year	Low Income Student Count	Low Income Student Percentage	Recalculation of Low Income * Multiplier	Recalculation of Low Income * Multiplier Percentage
0030	Adamsville Elementary School	275	173	62.91	11	4.00	184	66.91	☑	SW			2021	173	62.9090	276	100.3636
0050	Bagley Elementary School	515	102	19.81	12	2.33	114	22.14	☐	Title 1				114	22.1359	114	22.1359
0078	Minor Middle School	687	443	64.48	34	4.95	477	69.43	☑	SW			2021	443	64.4832	708	103.0567
0095	Bragg Middle School	760	215	28.29	34	4.47	249	32.76		Not Title 1				249	32.7631	249	32.7631
0110	Brighton School	345	255	73.91	10	2.90	265	76.81		SW			2021	255	73.9130	408	118.2608
0135	Brookville Elementary School	170	119	70.00	5	2.94	124	72.94	☑	SW			2021	119	70.0000	190	111.7647
0138	Bryan Elementary School	689	97	14.08	16	2.32	113	16.40	☐	Not Title 1				113	16.4005	113	16.4005
0141	Bryant Park Elementary	575	341	59.30	48	8.35	389	67.65	☐	SW				389	67.6521	389	67.6521
0160	Center Point Elementary School	554	432	77.98	25	4.51	457	82.49	☑	SW			2021	432	77.9783	691	124.7292
	Chalkville																

Building Eligibility

Jefferson County (037) Public District - FY 2023 - Consolidated - Rev 1 - Title I-A

CH

Session Timeout: 57:54

School Code	School Name	Grade Span	CEP	Adjusted Enrollment	Public Low-Income Students	Private Low-Income Students	Public Low-Income Students Recalculation	Public Low-Income Students Percent	Sort Order (Asc)	Eligibility For Service	Eligible by Other Factors	Previously Serviced	Feeder Pattern/ Rounding Percent	Service
037-0141	Bryant Park Elementary	PK-5	☐	575	389		389	67.65 %		☑	☐	☐		Schoolwide

CEP and Within-District Allocations

YEAR ONE

Data from the previous year's Fall Collection (FY23)

YEAR TWO

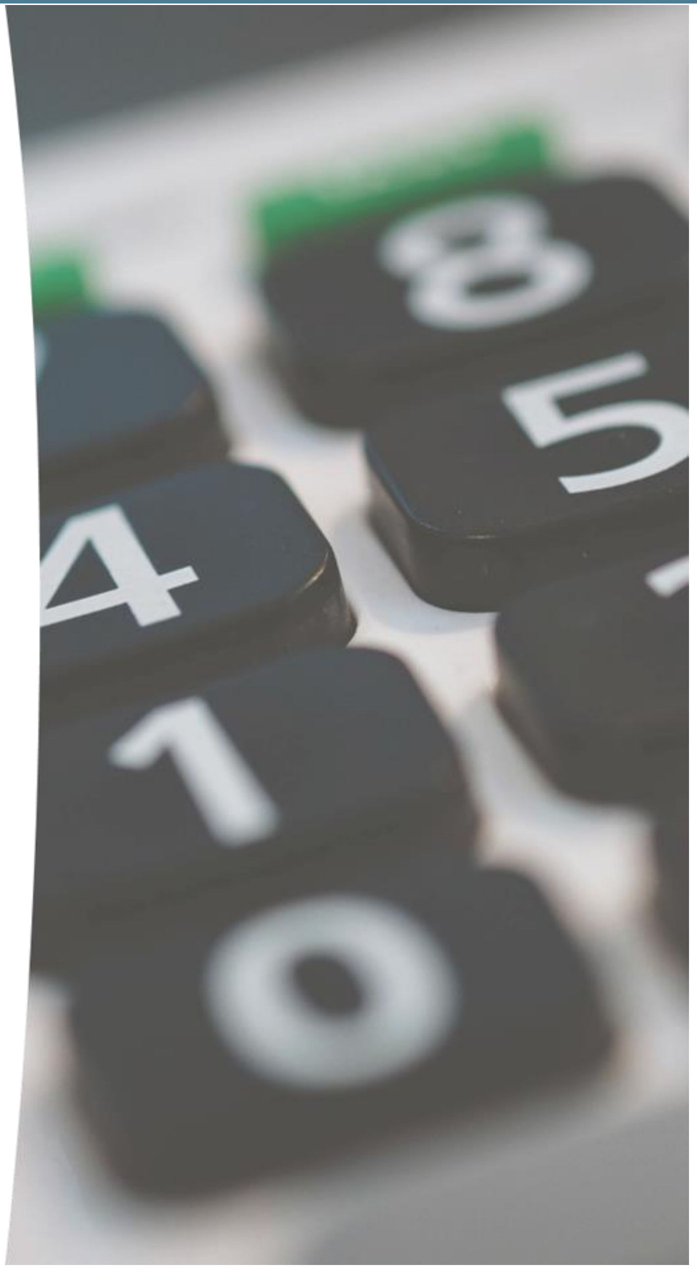
DC #s and 1.6 multiplier will be used to determine the correct percentage for PPA. The SEI portal will complete this step and link the information to eGAP.

YEAR THREE

(Repeat year two)

YEAR FOUR

(Repeat year two and three)



CEP and Within-District Allocations

School Name	Enrollment	CEP	Free	Reduced	Low Income Count	Low Income %	PPA Low Incom e Count	Example School PPA in eGAP	School Allocation
Hawkins ES	632	Yes Year 2	500	0	500 x1.6= **800**	*100% Over 100%, use total enrollment for PPA LIC	**632**	$575.00	632 X $575.00 = $363,400.00
Isaacs ES	557	Yes Year 3	490	0	490 x1.6= **784**	*100% Over 100%, use total enrollment for PPA LIC	**557**	$580.00	557 X $580.00 = $323,060.00
Connell HS	456	Yes Year 2	253	0	253 x 1.6= **404**	88.5% Less than 100%, use Low Income Count for PPA LIC	**404**	$565.00	404 X $565.00 = $228,260.00
Burton MS	378	Yes Year 1	205	82	**287** Year 1 CEP, use Free + Reduced numbers, not 1.6 multiplier	75.9%	**287**	$560.00	287 X $560.00 = $160,720.00
Rylant ES	602	No	201	52	**253**	42%	**253**	$555.00	253 X $555.00 = $140,415.00

Killingsworth County School District

Automatic eGAP Procedures for CEP

- The box for CEP Schools will already be checked for participating schools.

- The **PPA Low Income Count** will be uploaded with the 1.6 multiplier already included for CEP schools.

Schools with 100% Poverty

- If the application of the 1.6 multiplier results in more than one school at 100% poverty, then use the direct certification (DC) data to differentiate (rank and serve) among the schools. (i.e., schools with a higher DC percentage would rank higher). The DC numbers are found on the Building Eligibility Page under the "Low-Income Students" Column.

- If two CEP schools are both 100% and have the same direct certification rate, they must be provided the same per-pupil allocation.

- As a reminder: Ranking does not apply when there is one school per grade span or straight allocations are being used where all schools receive the same PPA.

Schools with 100% Poverty

School Name	Enrollment	CEP	Free	Reduced	Low Income Count	Low Income %	PPA Low Income Count	Example School PPA in eGAP	School Allocation
Hawkins	632	Yes Year 2	500	0	500 x1.6= **800**	*100% Over 100%, use total enrollment for PPA LIC	**632**	$575.00	632 X $575.00 = $363,400.00
Isaacs	557	Yes Year 3	490	0	490 x1.6= **784**	*100% Over 100%, use total enrollment for PPA LIC	**557**	$580.00	557 X $575.00 = $323,060.00

Hawkins ES – 500/632 = 79.11%
Isaacs ES – 490/557 = 87.97%

Relationships Matter!

- A partnership between the LEA Federal Programs Director and the LEA Child Nutrition Director is extremely important.
- Your work as CNP Director has an important impact on LEA Federal Programs.
- One Common Goal: Ensuring that the students we serve get what they need to be successful!

Thank you!

Calandra Hawkins
calandra.hawkins@alsde.edu

Jennifer Connell
jennifer.connell@alsde.edu

(334) 694-4516

ALSDE
PowerSchool and Direct Certification

Education Administrator: Stacy Royster

Direct Certification and ALSDE

- Direct Certification (DC) uses data matching to automatically certify students for school meal benefits. ALSDE has a contract with DHR to directly certify students participating in SNAP, TANF, FDPIR, and Foster Care.

- This automated matching occurs nightly by comparing children participating in assistance programs against enrolled children listed in LEAs student information system (PowerSchool).

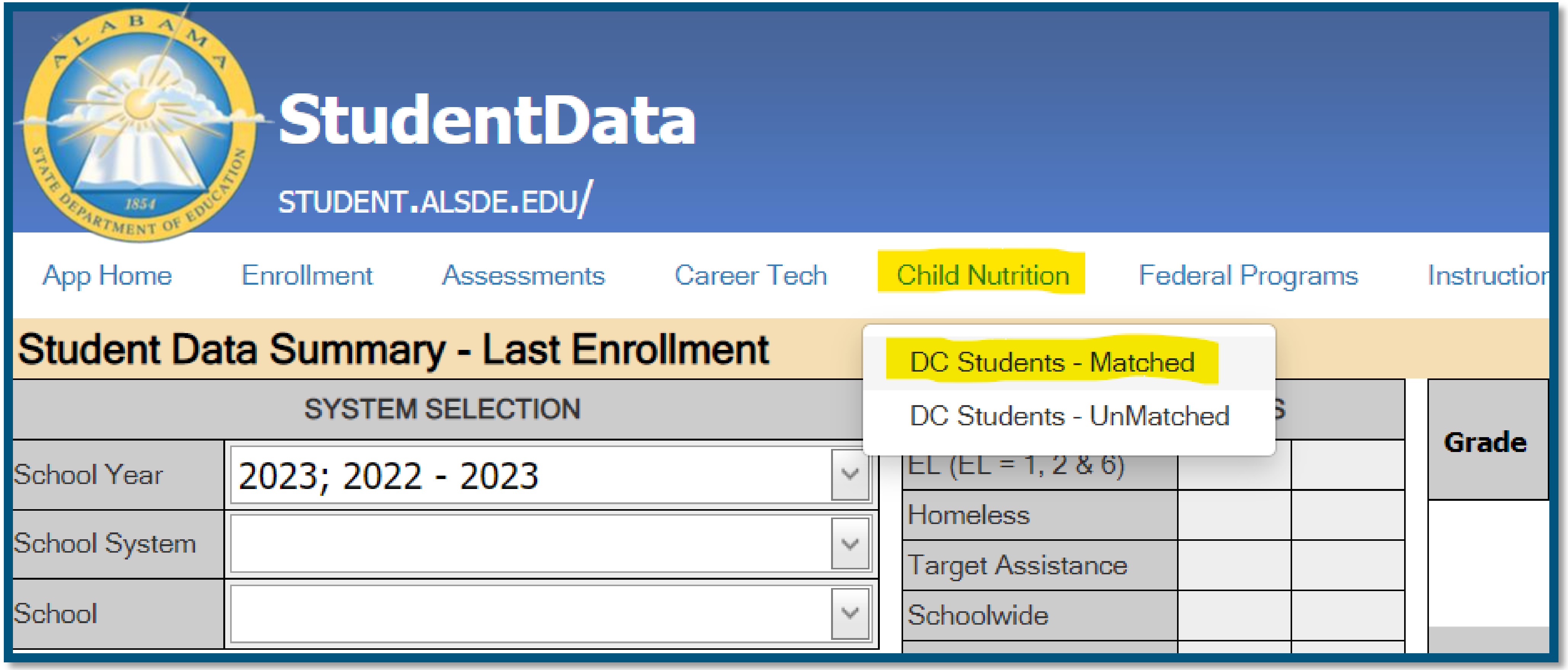
- DC Matched and Unmatched File

Students matched based on:

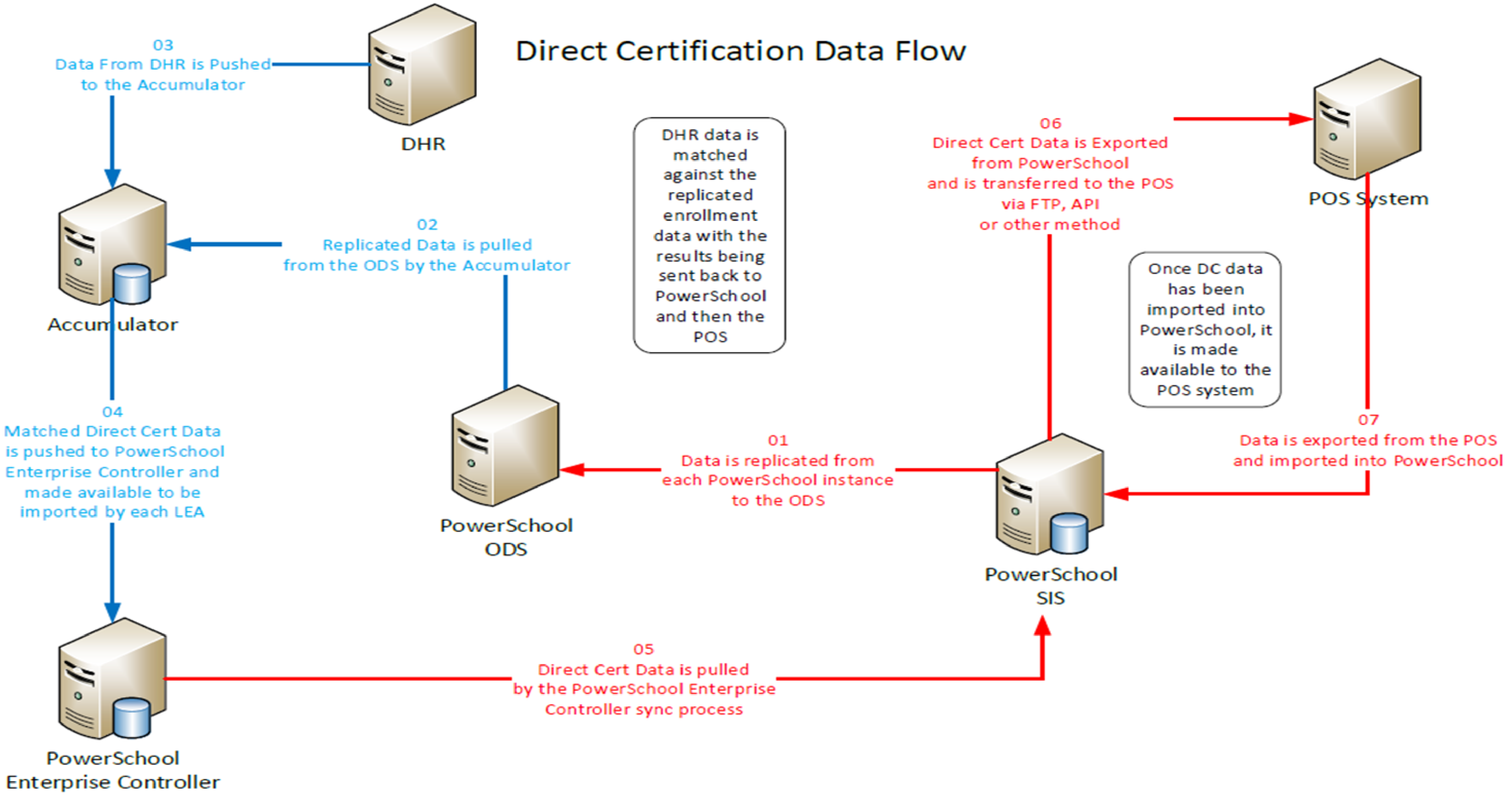
- First name
- Last name,
- Social Security Number
- Date of birth
- Race
- Gender

If a student matches on five of six of the data fields listed above within the DHR file and PowerSchool, they are directly certified to the corresponding LEA.

Direct Certification and ALSDE



Direct Certification and ALSDE Data Flow

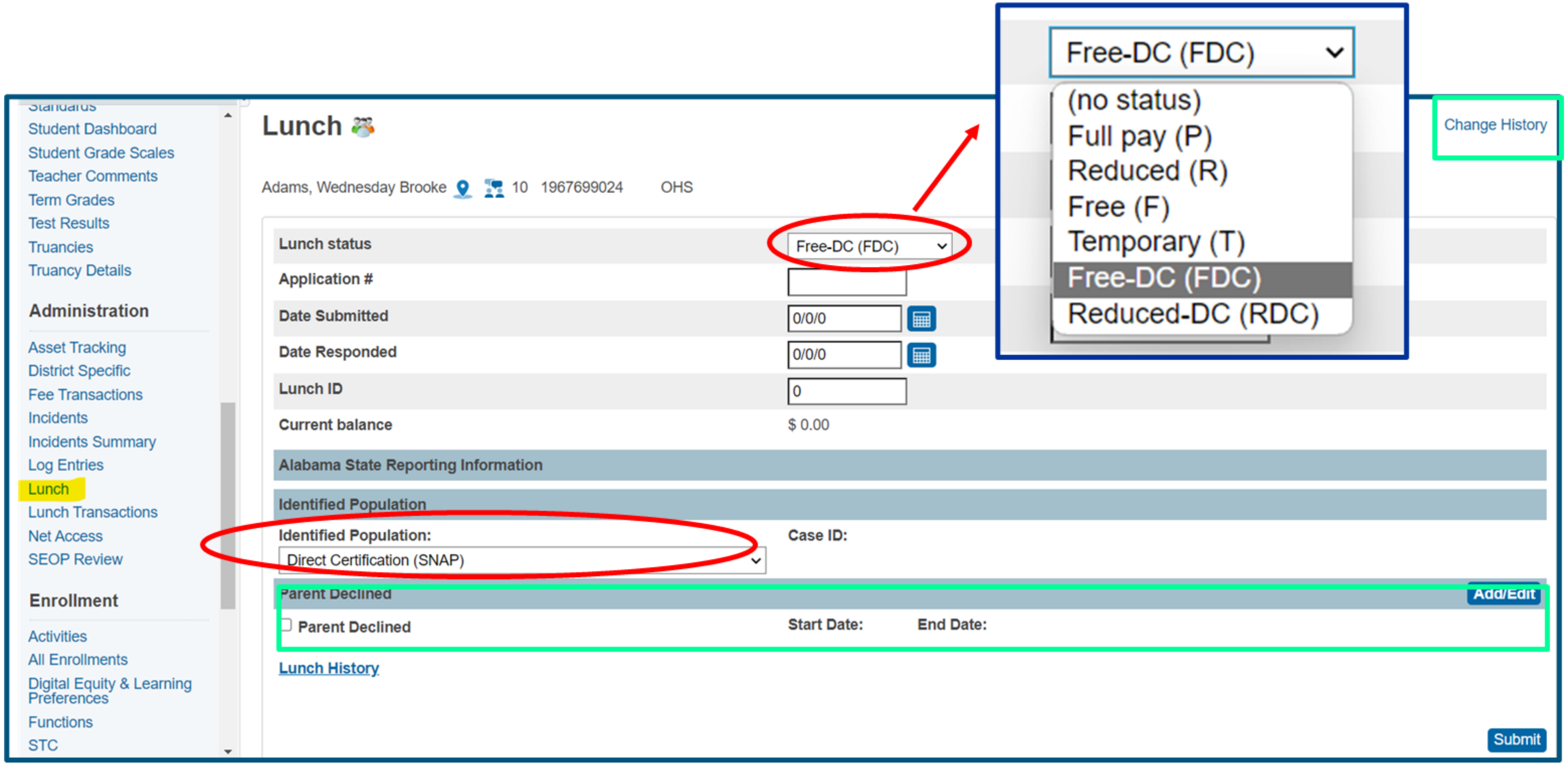


All lines in blue are managed by ALSDE, all lines in red are managed by either the LEA, PowerSchool or the POS vendor

PowerSchool ● E-Rate ● Direct Certification Local CNP Software

How PowerSchool works with Direct Certification

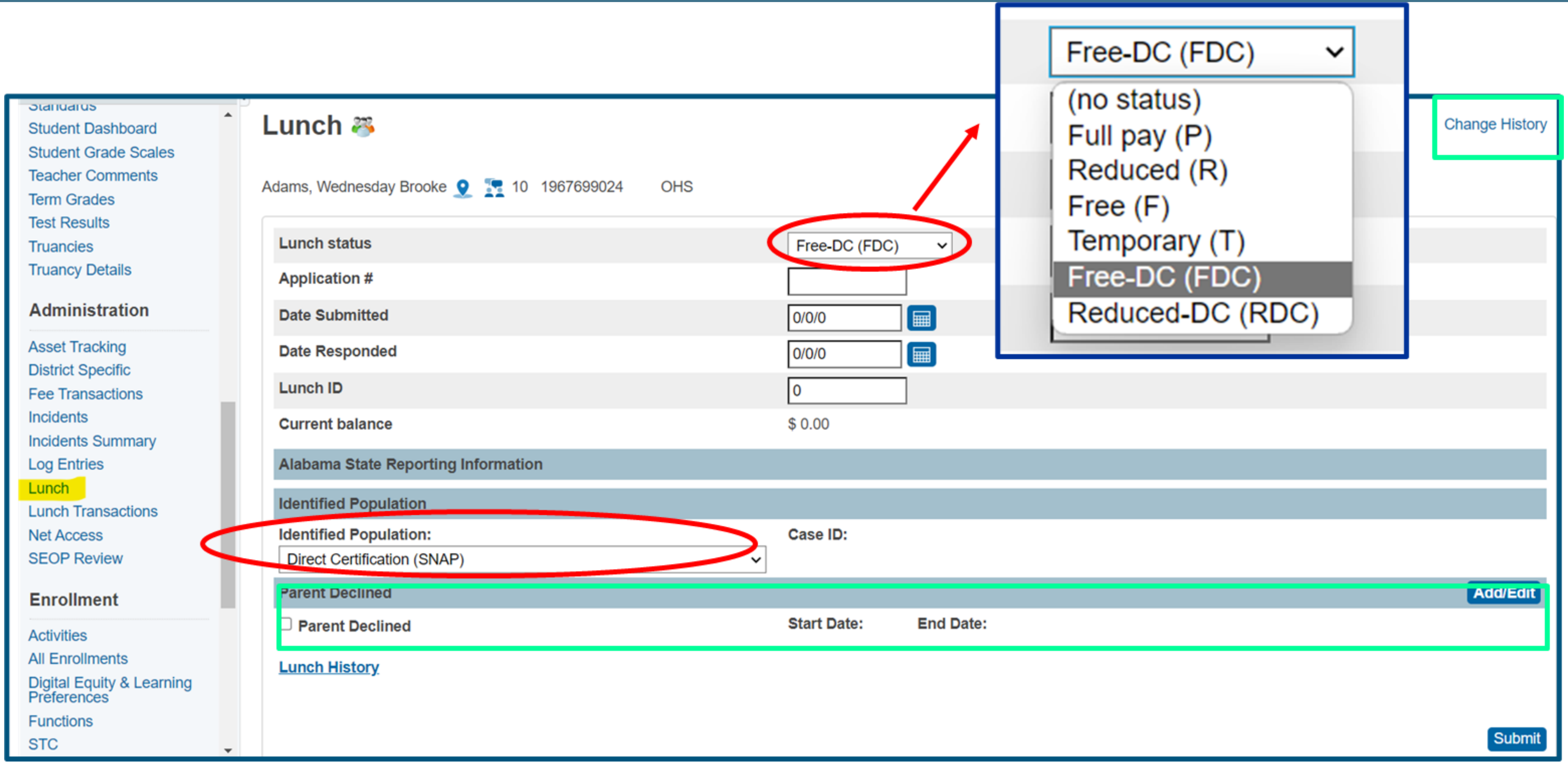
How PowerSchool works with CNP software



PowerSchool ● E-Rate ● Direct Certification Local CNP Software

PowerSchool Codes for CEP Schools PowerSchool

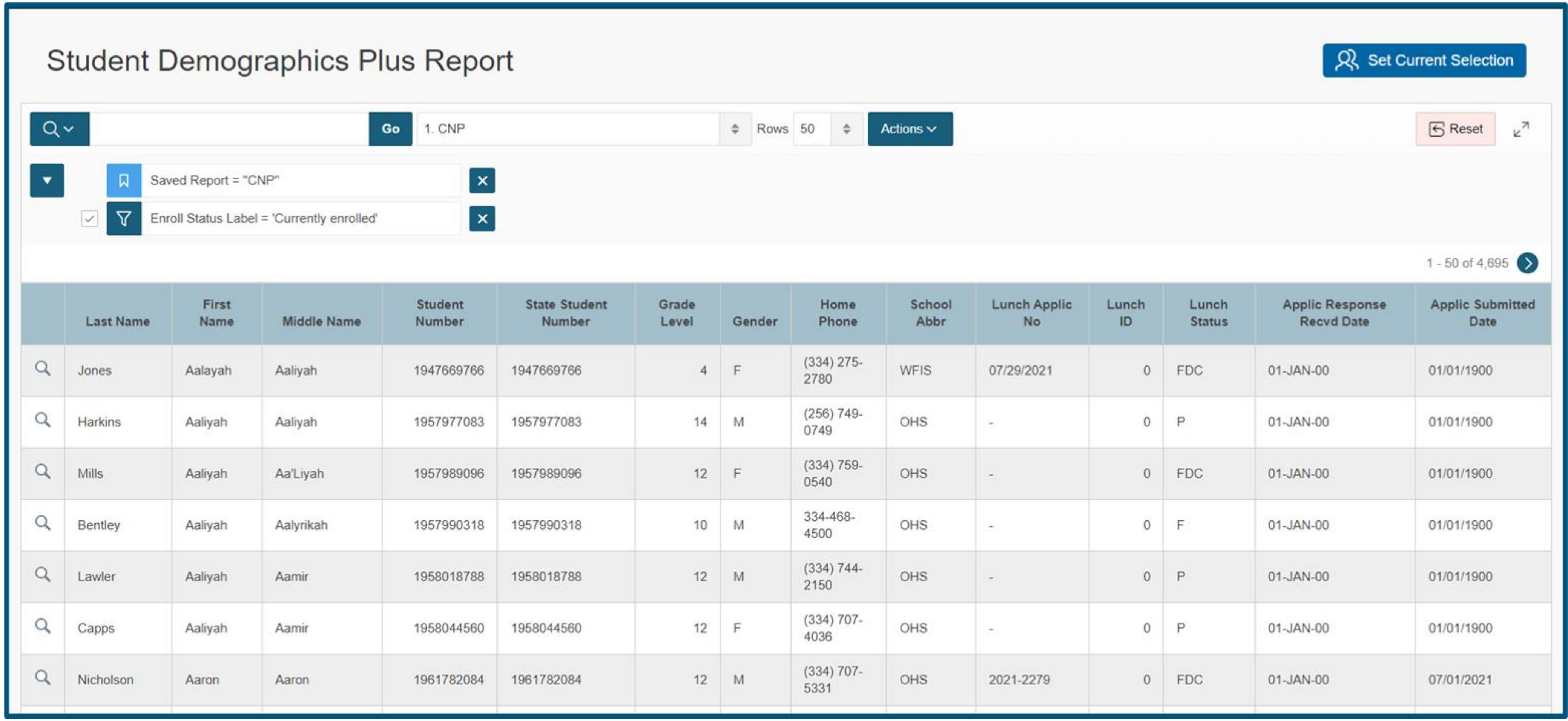
Application and CNP Free/Reduced Applications



PowerSchool ● E-Rate ● Direct Certification Local CNP Software

Enterprise Report

Video



Last Name	First Name	Middle Name	Student Number	State Student Number	Grade Level	Gender	Home Phone	School Abbr	Lunch Applic No	Lunch ID	Lunch Status	Applic Response Recvd Date	Applic Submitted Date
Jones	Aalayah	Aaliyah	1947669766	1947669766	4	F	(334) 275-2780	WFIS	07/29/2021	0	FDC	01-JAN-00	01/01/1900
Harkins	Aaliyah	Aaliyah	1957977083	1957977083	14	M	(256) 749-0749	OHS	-	0	P	01-JAN-00	01/01/1900
Mills	Aaliyah	Aa'Liyah	1957989096	1957989096	12	F	(334) 759-0540	OHS	-	0	FDC	01-JAN-00	01/01/1900
Bentley	Aaliyah	Aalyrikah	1957990318	1957990318	10	M	334-468-4500	OHS	-	0	F	01-JAN-00	01/01/1900
Lawler	Aaliyah	Aamir	1958018788	1958018788	12	M	(334) 744-2150	OHS	-	0	P	01-JAN-00	01/01/1900
Capps	Aaliyah	Aamir	1958044560	1958044560	12	F	(334) 707-4036	OHS	-	0	P	01-JAN-00	01/01/1900
Nicholson	Aaron	Aaron	1961782084	1961782084	12	M	(334) 707-5331	OHS	2021-2279	0	FDC	01-JAN-00	07/01/2021

Considerations: Federal Programs and CEP

- How do Title 1, E-Rate, eGAP programs use Free/Reduced Price meal eligibility data to allocate funds?
- How does CEP impact school poverty data?
- Does CEP effect individual eligibility for ACT vouchers, technology, internet and other benefits?
- What are the financial implications for the school or district?

Administration & Finance

Education Administrator II - Finance: Sonja Peaspanen

CEP and Financial Feasibility – Pass Thru

Pass Thru Calculation – Actual

FY19-3034 Memo

- April 29, 2019
- Child Nutrition Program Pass-Thru Calculation Procedures

- CNP Programs with more than 1-month fund balance can request to reduce Pass-thru.
- Approval for reduction will be requested as part of the financial statement submission.
- You are requesting approval for what you have already done.

Calculation – Financial Statements

	5101	5170	Total
Total Expenditures	2,435,433.16	61,440.00	2,496,873.16
			12
1-month requirement			208,072.76
Beginning Fund Balance	487,217.31	18,920.52	506,137.83
Total Revenue	2,415,471.86	77,076.93	2,492,548.79
Total Expenditures	2,435,433.16	61,440.00	2,496,873.16
Estimated Ending Fund Balance			501,813.46
# of months			2.41

1 month = Total Expenditures / 12

Beginning Fund Balance = Fund Type 3

Ending Fund Balance = Beginning Fund Balance + Total Revenue – Total Expenditures

# of months = Ending Fund Balance / 1-month requirement

Child Nutrition Program Operating Balance Pass-Thru Relief Request

Child Nutrition Program Operating Balance
Pass-Thru Relief Request
FY 2022

LEA #

School System:

Did the FY 2022 Ending CNP Fund Balance (Fund Source 5101 + 5170) exceed one month of Expenditures, including Other Fund Uses? Yes No

If "Yes"
Required to be completed if you wish to retain funds.

Fund Source 5101
Pass-Thru Spreadsheet Calculation ____________

Actual Pass-Thru (Special Use 0034) ____________

Difference (Pass-Thru Relief Requested) ____________

		March 29, 2023
CNP Director Signature	Printed Name	Date
		March 29, 2023
CSFO Signature	Printed Name	Date
		April 1, 2023
LEA Superintendent Signature	Printed Name	Date
	Eric G. Mackey	April 11, 2023
State Superintendent Signature	Printed Name	Date

Calculation – Financial Statements – Fiscal Period 10

	5101	5170	Total
Total Expenditures	1,698,191.38	49,465.79	1,747,657.17
			10
1-month requirement			174,765.72
Budgeted Beginning Fund Balance	467,256.01	34,557.45	501,813.46
Total Revenue	1,705,992.80	51,047.10	1,757,039.90
Total Expenditures	1,698,191.38	49,465.79	1,747,657.17
Estimated Ending Fund Balance			511,196.19
# of months			2.93

1 month = Total Expenditures / 10

Beginning Fund Balance = Fund Type 3

Ending Fund Balance = Beginning Fund Balance + Total Revenue – Total Expenditures

# of months = Ending Fund Balance / 1-month requirement

Calculation – Budget

	5101	5170	Total
Total Expenditures	2,197,712.49	67,143.42	2,264,855.91
			12
1-month requirement			188,737.99
Budgeted Beginning Fund Balance	596,110.65	34,557.45	630,668.10
Total Revenue	2,465,417.17	67,143.42	2,532,560.59
Total Expenditures	2,197,712.49	67,143.42	2,264,855.91
Estimated Ending Fund Balance			898,372.78
# of months			4.76

1 month = Total Expenditures / 12

Beginning Fund Balance = Fund Type 3

Estimated Ending Fund Balance = Budgeted Beginning Fund Balance + Total Revenue – Total Expenditures

# of months = Estimated Ending Fund Balance / 1-month requirement

Calculation – Budget

Budgeted Pass-thru $407,867.17

Calculation if pass thru reduced

Budgeted pass thru should not be zero

Budgeted pass thru is not required to equal the Spreadsheet calculation amount

	Budget	Pass-thru	Revised
Total Expenditures	2,264,855.91		2,264,855.91
			12
1-month requirement			188,737.99
Budgeted Beginning Fund Balance	630,668.10		630,668.10
Total Revenue	2,532,560.59	(407,867.17)	2,124,693.42
Total Expenditures	2,264,855.9		2,264,855.91
Estimated Ending Fund Balance			490,505.61
# of months			2.60

Calculation

	5101	5170	Total
Total Expenditures	4,754,510.61	-0-	4,754,510.61
			12
1-month requirement			396,209.22
Budgeted Beginning Fund Balance	607,382.03	-0-	607,382.03
Total Revenue	4,754,510.61	-0-	4,754,510.61
Total Expenditures	4,754,510.61	-0-	4,754,510.61
Estimated Ending Fund Balance			607,382.03
# of months			1.53

1 month = Total Expenditures / 12

Beginning Fund Balance = Fund Type 3

Estimated Ending Fund Balance = Budgeted Beginning Fund Balance + Total Revenue – Total Expenditures

# of months = Estimated Ending Fund Balance / 1-month requirement

CEP and Financial Feasibility – Pass Thru

OCE – Other Current Expense

- Funded through the Foundation Program in the Education Trust Fund (ETF) Budget
- FY 2024 - $23,068 x Earned Teacher Units

OCE funds can be used for CNP Pass-Thru, Support Staff, Utilities, etc.

- There are no State funds specifically budgeted for CNP Pass-Thru

CEP and Financial Feasibility – Pass Thru

Memo – 4/29/19 – FY19-3034

As your school system's budget, amendments, and financial statements are prepared, the one-month fund balance should be calculated and compared to the ending fund balance.

- Budgeted Pass-thru does not have to equal the Spreadsheet calculation amount.
- If the ending CNP fund balance is greater than the one-month fund balance, a waiver may be requested for the difference between the Calculated Spreadsheet Pass-Thru amount and the Actual Pass-Thru amount.
- If the ending fund balance is less than the one-month fund balance, 100% of the Calculated Spreadsheet Pass-Thru amount must be passed through to CNP.

CEP and Financial Feasibility – Pass Thru

Memo – 4/29/19 – FY19-3034

As your school system evaluates what is a sufficient fund balance for the CNP program please keep in mind the following:

- If CNP revenues are consistently less than expenditures, the general fund will eventually have to increase the pass-thru amount.
- During the years that a portion of the CNP pass-thru is retained, caution should be taken in the types of general fund expenditures incurred.
- If the CNP fund balance no longer meets the required threshold, additional funds are required to be passed through to CNP. If necessary, reductions to anticipated General Fund expenditures may be required.
- If the CNP fund balance, based on the CNP Financial Profile, is greater than three months, ALSDE CNP can waive the Paid Lunch Equity (PLE) price increase.

- USDA Memo SP14-2024 titled Paid Lunch Equity: Guidance for School Year 2024-2025 allows an exemption from PLE price increases for SY24-25, if the SFA had a positive operating balance as of 6/30/2023.

CEP and Financial Feasibility – Pass Thru

Pass-Thru Considerations

- The CSFO and CNP Director should collaborate to ensure an appropriate ending fund balance is retained for CNP operations
- If CNP revenues are consistently less than expenditures, the general fund will eventually have to increase the pass-thru amount.
- At the end of the school year, the CNP fund balance should be sufficient to cover summer expenditures (salaries, benefits, startup purchases, etc.) without, or with less, revenue for meal reimbursements during those months.
- Choosing CEP may increase Pass-Thru requirements. Does feeding all students justify the increased cost?

When Do LEAs Have to Cover Operating Costs?

Susanne Reeves
Education Specialist I
CNP School Programs

WHEN THE FEDERAL REIMBURSEMENT RECEIVED UNDER CEP IS LESS THAN THE COST OF PROVIDING ALL STUDENTS FREE MEALS.

What is Cost Differential for CEP?

Cost Differential

If there is a difference between the cost of serving lunches and breakfasts at no cost to all participating children and the Federal assistance provided, the local educational agency must pay such difference with non-Federal sources of funds. Expenditure of additional non-federal funds is not required if all operating costs are covered by the Federal assistance provided.

Code of Federal Regulations 7 CFR 245.9 (f)(4)(vii)

Common Questions

When must non-Federal sources be used to support CEP operations?

Similar to Provisions 2 and 3, non-Federal funds may be necessary to cover operating costs when the level of Federal reimbursement (and any other Federal assistance received under the Child Nutrition Act of 1966 (CNA) and NSLA) received under CEP does not cover the costs of serving free meals to all students.

The CNP balance may cover the offset of CEP.

Common Questions

May schools use excess funds from the CACFP and the SFSP to cover operating costs for CEP?

Yes. The Richard B. Russell National School Lunch Act (42 U.S.C. 1759(a)(1) section 11(a)(1)(F)(ii)(I)(bb) states that Federal assistance received under the NSLA and CNA may be used to support offering breakfasts and lunches to students at no cost in CEP schools.

Common Questions

May schools use excess funds from the CACFP and the SFSP to cover operating costs for CEP?

Yes, but there is a catch! The SFA must adhere to the following Alabama Department of Education (ALSDE) requirements:

1. The SFA must obtain prior approval from ALSDE before transferring funds.
2. The transfer of funds from the CACFP and/or SFSP may only be transferred to the cost center that operated and/or supported that program.

Common Questions

What may be counted as "funding from non-Federal sources"?

Examples of non-Federal sources include but are not limited to: · Any portion of State revenue matching funds that exceeds the minimum requirement established in 7 CFR Part 210.17; · Profits from a la carte sales; · Cash donations; and · In-kind contributions from outside sources, such as volunteer services. As stated at 7 CFR 245.9(h)(3) LEAs must maintain records of any non-Federal funding sources used to cover any excess meal costs.

Finding Non-Federal Funding

- Cater classroom parties while adhering to USDA regulations
- A la carte sales at middle schools: increased due to cutting times when we sell a la carte, closely monitoring sales, and slimming down inventory to student favorites
- Cater district functions, i.e., meetings, special meal functions for administrators, athletic banquets

What meals are NOT reimbursable?

- Adult Meals
- A la carte Sales
- Second Meals
- Pregame Meals
- Catered / Contract /Vended Meals

It’s a LOCAL decision!

Serving school meals at no cost to all students.

Full District or Partial District CEP?

If CEP is not an option is Provision 2 an option?

CEP: A Local Decision

Step # 1: Determine if your district is committed to serve meals at no cost at all schools or only those eligible.

Step #2: Determine if CEP is a viable option district-wide or only at schools with the highest need.

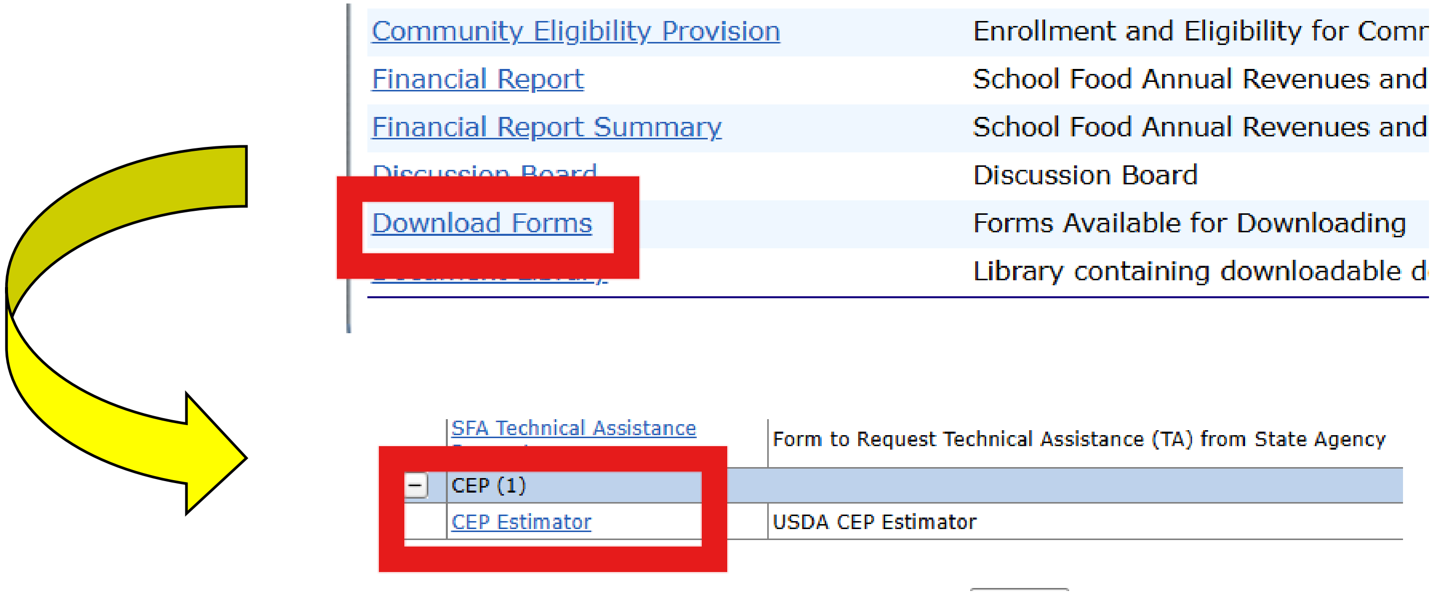
Step #3: Take the following into consideration:

- District and/or school-level ISP
- Current and projected school meals participation levels; and
- Operating balance and available non-Federal funding sources.

CEP: A Local Decision (Continued)

Step #4: Utilize the USDA CEP Estimator Tool:

- The USDA CEP Estimator Tool does include the loss of revenue.
- https://www.fns.usda.gov/cn/cep/resource-center or Go to fns.usda.gov>Child Nutrition, learn more> Community Eligibility Provision> Community Eligibility Provision Resource Center> The CEP Estimator Tool
- LINQ Online Agreement>Application>Download Forms>CEP Estimator Tool



CEP Election on the CNP Online Agreement

2026 - 2027 Application Packet

174-0000 Status: Active
Orange Beach City Board of Education
DBA:
4544 Orange Beach Blvd
Orange Beach, AL 36561-3410
County: Baldwin
FEIN: 88--1775314
Vendor Number: VS000076699

Packet Submitted Date:
Packet Approved Date:
Packet Original Approval Date:
Packet Status: Not Submitte

Packet Assigned To: unassigned

Action	Attention	Form Name	Latest Version	Status
View | Modify | Admin		Sponsor Application	Original	Pending Validation
Details		Meal Pattern Compliance Dashboard		Pending
Details	✔	Checklist Summary (3)		
Details		Application Packet Notes		
View		Application Packet Notes for Sponsor		
Details		Attachment List		
Details		NDL Application Packet Dashboard (1)		Complete

Eligibility Information

Ea. Are you participating in CEP? (•) Yes ( ) No

Action	Attention	Form Name
View | Modify | Admin		Sponsor Application
Add		Community Eligibility Provision (CEP) Schedule
Details		Meal Pattern Compliance Dashboard
Details	➡	Checklist Summary (5)
Details		Application Packet Notes

USDA CEP Estimator Tool

USDA United States Department of Agriculture

Community Eligibility Provision (CEP) Monthly Federal Reimbursement Estimator

Use to estimate the level of Federal reimbursement received under the CEP

District Name:

Step 1: Calculating the Identified Student Percentage If grouping schools, use the grouping calculator to assist in determining 1.1 and 1.2.	
Enter the number of identified students and enrolled students that is reflective of April 1st in 1.1 and 1.2	Click to define: Identified Students
1.1) Enter the number of identified students	
1.2) Enter the TOTAL student enrollment	
ISP Base Number, rounded to 4 decimal places =	#DIV/0!
ISP Percentage of identified students = **This percentage must be at least 40% to be eligible**	0.00%
Percentage of meals reimbursed at the Federal FREE rate =	#DIV/0!
Percentage of meals reimbursed at the Federal PAID rate =	#DIV/0!

Step 2: Federal Reimbursement Rates

Select the current reimbursement rates used for each program (without the $0.08). The additional $0.08 is applied in the next box

	Lunch	Breakfast
Free	Excel for	Excel for
Paid	Excel for	Excel for

Select "$0.08" if the SFA is certified for the additional $0.08.

Excel for the

Step 3: Monthly Meal Data

Enter in the number of LUNCHES and/or BREAKFASTS served in a month in 3.1 and 3.2

3.1) Enter the total number of LUNCHES served in a month:	
3.2) Enter the total number of BREAKFASTS served in a month:	
Total number of MEALS served in a month:	0

	NLSP	SBP
Step 4: Anticipated Participation Change due to serving all FREE meals (for example enter 2 for 2%):		

Total number of LUNCHES reimbursed at FREE rate=	#DIV/0!
Total number of LUNCHES reimbursed at the PAID rate=	#DIV/0!
Total number of BREAKFASTS reimbursed at FREE rate=	#DIV/0!
Total number of BREAKFASTS reimbursed at the PAID rate=	#DIV/0!

Estimated CEP Monthly Federal Reimbursements

Reimbursement for LUNCH =	#DIV/0!
Reimbursement for BREAKFAST =	#DIV/0!
Total Reimbursement Level=	#DIV/0!
Federal Reimbursement per LUNCH=	#DIV/0!
Federal Reimbursement per BREAKFAST=	#DIV/0!

Optional Comparison: Enter current monthly Federal reimbursements and student payment revenue

LUNCH=	
BREAKFAST=	

CEP Difference:

This section displays the estimated difference between operating CEP and the current Federal reimbursements and student payments (if applicable). If the differences boxes are green then CEP will generate the same or more Federal revenue, if the box is red then current procedures generate higher Federal Revenue

LUNCH Difference=	#DIV/0!	Total Difference
BREAKFAST difference=	#DIV/0!	#DIV/0!

Temporary Reimbursement Rates - SY 2022-2023

Each year, update the annual reimbursement rates. If reimbursement rate used for a SFA is not listed, enter the rate in the blank cells under "----OTHER----".

If you do not know your Federal reimbursement rates click here

Grouping Calculator

Use this calculator to determine the grouped identified student number and enrollment number to enter into Step 1

School Name Enter the name of each school that will be grouped under the same identified student percentage	Identified Students Enter the number of identified students for each school entered in the first column	Enrollment Enter the number of students enrolled in each school entered in the first column	Individual school Identified student percentage

Step 1 data for school groupings
Total number of identified students in group Enter this figure in 1.1
0
Total number of students enrolled in group Enter this figure in 1.2
0
Identified student percentage for group

Identified students are defined as the students certified for free meals who are not subject to verification. This definition includes students directly certified through SNAP, TANF, and FDPIR participation as well as homeless on the liaison list, Head Start, pre-K Even Start, migrant youth, runaways, and non-applicants approved by local officials. Foster children certified through means other than an application are also included.

Students who are categorically eligible based on submission of a free and reduced price application are not included.

7 CFR 245.6a(c)(2)

Click here to go back to the Estimator

Identified Student Percentage

The identified student percentage = (the number of identified students / the number of enrolled students) X 100

Making Up the Difference

- Capture all meals.
- Market your program.
- Coordinate with teachers to provide meals for field trips.
- Work with students, teachers, school administrators and parents.
- A La Carte offering

Increase school breakfast participation with alternate serving models:

- Breakfast in the classroom
- Second Chance Breakfast or Breakfast After the Bell
- Grab and Go

Do Your Homework…

- Have a purpose for implementing CEP!
- Know the financial status of the school food authority (SFA).
- Operating Balance in the CNP account
- Directors should work together with the CSFO, bookkeeper and school CNP managers to discuss trial balance report for each cost center/school.
- Share all information with Superintendent, CSFO and Federal Programs Director.

Important CEP Deadlines

By March 15 Private Schools must submit a list to the SA of all identified students and enrollment data for CEP eligibility

March 15

By April 1, the ISP must be established

The SFA must keep this data on file for Administrative Reviews

April 1

By April 15, the SA will notify LEAs of CEP eligibility

15 April

By May 1 ALSDE will publish a list of eligible LEAs online and send link to FNS.

alabamaachieves.org

1 May

June 30 CEP Election Deadline

- ALL SFAs elect CEP on the online agreement by June 30.

30 June

USDA United States Department of Agriculture
Food and Nutrition Service

Citation: 7 CFR 245.9(f)(3)(i)

LEA Recordkeeping Requirements

- Data used to calculate ISP is maintained in the CEP form on the CNP Online Application and the Annual CEP Eligibility Notification emailed to SFAs April 15, 2026.
- SFA maintains the selection of ISP/DC list for each school – best practice to check this list weekly the first two months of the new school year.
- Total number of breakfasts and lunches served daily is captured in the monthly site data claim and the CNP accounting software
- The CNP Online Application maintains the percentages used to claim meal reimbursement
- Non-Federal funding sources used to cover any expenses, if applicable
- The school level information provided to the SA for publication, related to other source categorically eligible students such as homeless, runaway or migrants, if applicable. All ISP data for private schools.

Maximize Your ISP every year by April 1

- Ensure DC data is correct
- Chase your unmatched students - AIM Portal
- Ensure that direct certification data is captured from all possible sources:
  - SNAP, TANF, and FDPIR
    - Homeless, migrant, or runaway
    - Participation rolls for Head Start, and pre-K Even Start
    - Foster children
- Ensure the student database in PowerSchool and POS system is updated daily
- Review SCHOOL GROUPINGS

CEP Resources

FRAC's Community Eligibility Grouping Tool and Financial Calculators

Grouping Tool—Group schools together to increase your ISP and maximize your claiming percentages.

Financial Calculators

- Break Even Calculator—Use your ISP and basic information about your school nutrition operations to calculate the participation needed (in breakfast, lunch, supper and/or snack) to break even.
- District Level Calculator—Dig deeper to look at expenses and revenue under community eligibility by school type and compare implementing community eligibility to your current operations.

FRAC CEP Calculator – Getting Breakfast to Everyone!

USDA-FNS Resources

CEP Resource Center:

https://www.fns.usda.gov/community-eligibility-provision-resource-center

United States Department of Agriculture

Questions?

334-694-4657
cnpnslp@alsde.edu

https://forms.office.com/r/104QUEbMr7

Civil Rights Update

Anna T. Kozlowski, Ph.D.
Administrator Policies & Procedures
ALSDE Child Nutrition Programs
ASNA Spring Conference 2026

USDA Updates

- ❑**Nondiscrimination Statement**
- ❑***And Justice for All Poster***
- ❑**Language Assistance Services**

Question from the Field

If a school is separating boys and girls in the dining room because of discipline issues, is this considered discrimination?

(Kellie Grubbs, Cleburne County)

Specialist Response

Can you provide a few more details?

- Are both boys and girls offered the same meal?
- Are they being offered the same amount of time to consume the meal?
- Are both groups being treated equally while consuming the meal (ex: are the both allowed to talk, are they seated in a group setting, etc.)?

(Suzanne Yoder, ALSDE CNP)

SFA Response

- Yes, they are all offered the same meals, and they come through the serving line together.
- It is just when they get to the dining room to sit, that they have the girls sitting on one side of the dining room and the boys sitting on the other side.
- All students facing the teacher table which is in the middle of the dining room.
- They all have the same amount of time to eat, and all groups are allowed to talk. They are just separated to eat the meal.

Answer

We see no discrimination in this scenario.

Questions?

334-694-4657
cnpnslp@alsde.edu

https://forms.office.com/r/104QUEbMr7