



Happy Helpings: Summer Food Service Program Instructions: Annual Year-End Reconciliation Form

I. Annual Reconciliation

The Fiscal Year 2008 Omnibus Appropriations Act extends the cost accounting procedures known as the Simplified Summer Food Program to all States. Beginning January 1, 2008, all Summer Food Service Program sponsors will receive the maximum “meal times rate” for operating and administrative reimbursements without regard to their actual costs. Sponsors must maintain cost records for review and audit purposes. As part of the review process, sponsors are also required to submit an Annual Year-End Reconciliation Form to Bright from the Start **no later than (15) days after the final claim is submitted and no later than October 31st of the applicable year.** These instructions are designed to assist sponsors in completing the form.

For additional information, please see DECAL Policy Memorandum, *Simplified HAPPY HELPINGS and Bright from the Start's Annual Year-End Reconciliation Process – Revised (v.3)*, January 25, 2019.

II. Annual Year-End Reconciliation Form Instructions

1. At the top of the form, provide the sponsor's name, agreement number, Federal ID Number (EIN), program year, number of sites, and version.
2. Enter all reimbursement amounts as they are listed in Atlas for the duration of the program.
3. **If other program funding was used to support the operation of the program, enter the amount in the reimbursement cell as well.**
4. Complete Column A (Budget Amount). The amounts in this column should be the same as the final approved budget amounts.
5. Complete Column B (Actual Allowable Cost). The amounts in this column should only include allowable costs to operate and administer the Summer Food Service Program (HAPPY HELPINGS).
6. Once all amounts are entered, the reconciliation form will calculate (total program income – Actual Allowable Costs) which will generate the excess/ending balance on the form.
7. There will either be a net program income (total program income exceeds operational and administrative expenses), or net loss (total operational and administrative expenses exceed program income).

8. If there remains an excess of program funds, indicate how the funds will be used by **checking the appropriate option** located on the form.
9. Sign and date the form.
10. The reconciliation form should be accompanied with either a Happy Helpings bank statement or **system-generated** general ledger. The ending balance on the financial document **must** match the excessive/ending balance on the reconciliation
11. Send the reconciliation form and supporting financial documents to nutritionbudget@dec.al.ga.gov with the subject line: **FYYR Annual Reconciliation-Institution Name – Agreement #**. A budget specialist will review the submission and respond via email to indicate the requirement has been met or potential next steps.

Note: Under the simplified procedures described above, sponsors do not have to consolidate cost by category type for reimbursement. The Annual Year-End Reconciliation form is a *budget tool* that sponsors can use to manage the proper allocation of resources for Child Nutrition Programs (CNP's).

III. Information on Excess Program Funds

- FNS Instruction 796-4, Rev. 4 requires HAPPY HELPINGS funds to be used on allowable program- related costs. HAPPY HELPINGS funds in excess of program costs should be used to improve the meal service or on other aspects of the food program that directly benefit participating children.
- The Simplified Summer Food Program now allows sponsors to use excess HAPPY HELPINGS funds on other CNPs.
- Sponsors that operate other CNPs throughout the year must keep the funds in their non- profit food service account and use the excess HAPPY HELPINGS funds to pay for allowable costs for the other programs or for the next year's HAPPY HELPINGS costs.
- Sponsors that do not operate other CNPs during the year are not required to return excess funds at the end of HAPPY HELPINGS operations. However, organizations that expect to continue to sponsor the program in subsequent years, must keep any excess funds for that year's operations.

See also, DECAL Policy Memorandum, *Excess Funds in the CACFP and HAPPY HELPINGS (v.3)*, January 25, 2019.

IV. Definitions

Operating Costs - the cost of operating a food service under the HAPPY HELPINGS including the following:

1. Cost of obtaining food;
2. Labor directly involved in the preparation and service of food;
3. Cost of nonfood supplies;
4. Rental or equipment and space;
5. Cost of transporting children in rural areas to feeding sites in rural areas;
and
6. Mileage allowances.

- **Depreciation expense** - the allocation of the cost of a long-term asset/non-expendable asset to operations over its expected useful life.
- **Facilities/Utilities** - Facilities are the buildings or parts of buildings (land is not included), used for the preparation of food. Rental of dining space, which is not part of a school food service facility or a larger facility used for food preparation, is not an allowable cost.
- **Food Cost** - the expense of purchasing food for consumption by children in the HAPPY HELPINGS program or other Child Nutrition Programs. Incoming transportation charges and cost of processing, distributing, storing, and the handling of purchased and donated foods are allowable costs.

If a Food Service Management Company (FSMC) is used, the cost of the delivered meals is entered in the Contracted Food Purchases subcategory.

- **Food Service Equipment** - equipment designed for the receipts, preparation, refrigeration, storage, cleanup, rental, and service/transportation of food. *Please note equipment cannot be directly charged to HAPPY HELPINGS.*

- **Non-food Supplies** includes paper napkins, straws, dishwashing compounds, and cleaning supplies.
- **Program Operating Labor** - the allocated cost for wages and benefits of any personnel used in the preparation, delivery, service and clean-up of meals to eligible children at a site. Operating costs for program labor also involve labor performed to accomplish:
 - Supervision of children during meals; and
 - On-site preparation of records required for the program.
- **Transportation of Children to Sites** - Rural sponsors may claim the cost of transporting children to a central feeding location within rural areas as an operating cost. The transportation expense may include the cost or percentage of costs of mileage, fuel usage, and all other costs required to transport children to sites where meals are served.
- **Transportation of Meals to Sites** - Costs directly associated with transporting food to children are allowable. These costs are incurred when a self-prep sponsor uses a central kitchen or transporting meals when a vended sponsor's contract does not include the cost of transporting meals.
- **Utility costs** - allowable costs incurred in the operation of facilities or equipment utilized for program operation.

Administrative Costs - costs incurred by a sponsor related to planning, organizing, and managing the HAPPY HELPINGS and excluding interest costs and operating costs. These costs can be classified as either direct or indirect.

- **Employee Benefits** - the total or percentage of benefits allocated to the Summer Food Service Program staff.
- **Office Expenses** - the costs or the percentage of those costs for office space rental, office equipment rental, building insurance, office maintenance or utilities for use in the administration of the program.
- **Personnel costs** include the following subcategories:
 - *Administrative personnel* - the total or percentage of salaries allocated to the Summer Food Service Program for program administration.
 - *Accounting personnel* - the total or percentage of salaries allocated to the Summer Food Service Program for those personnel responsible for accounting and bookkeeping functions.
 - *Monitoring personnel* - the total or percentage of salaries allocated to the Summer Food Service Program for program monitors.
 - *Clerical personnel* - the total or percentage of salaries allocated to the Summer Food Service Program for program support of or by clerical personnel.

Personnel cost may also include the required taxes paid by the employer.

- **Supplies, Postage, and Printing** - costs or the percentage of those costs used for office supplies, in reproducing documents, mailing documents, and making telephone calls for the administration of the program.
- **Training Expenses** - the sponsor's costs for conducting training for the

program.

- ***Travel Expenses*** - the costs for transportation, lodging, subsistence, and other related cost for employees to perform program operations.

For additional assistance on completing the form or for specific budget-related questions, please contact Nutrition's Budget Compliance Team at nutritionbudget@dec.al.ga.gov.