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APPENDIX A

Property Tax Compliance

Beginning in 2011, all taxing jurisdictions with fiscal autonomy may increase the millage rate imposed for general operating purposes above the rate imposed for such purposes for the preceding tax year only to the extent of the percentage increase in the consumer price index (CPI) plus the percentage increase in the previous year in the population of the entity as determined by the Office of Research and Statistics of the State Budget and Control Board. The statutes also require the taxing jurisdiction to comply with 12-37-251(E) and the rollback millage must be used in lieu of the previous year's millage rate when a reassessment program is implemented.

There may be added to the operating millage increase allowed above, any such increase allowed but not previously imposed, for the three property tax years preceding the year to which the current limit applies.

Audits should certify millage rates set are in compliance with all statutes and laws restricting millage either by legislative delegations or S. C. Code of Laws 12-37-251, 6-1-320 and 12-43-285(A).

Auditors should review for compliance with the applicable state laws and exceptions to the law should be included in the Schedule of Findings and Questioned Costs.

NOTE: For additional information concerning property tax compliance contact Sandy Houck at the SC Department of Revenue:

Sandy Houck
803-898-5478
sanford.houckjr@dor.sc.gov

SOUTH CAROLINA CHARTER SCHOOLS 2018-2019

School Name	Grades	Contact Mailing Address	Telephone Fax	District
Year Open				
Academy for Teaching and Learning (2006)	K5-8	Robyn B. Caldwell 109 Hinton Street Chester, SC 29706 Email: rbrakefield@chester.k12.sc.us Web: www.chester.academy.schooldesk.net	803-385-6334 803-385-6335 (fax)	Chester
Academy of Hope (2011)	K-8	Dr. Melissa McCloud 3521 Juniper Bay Road Conway, SC 29527 Email: mmcloud@theacademyofhope.org Web: www.theacademyofhope.org	843-397-5719 843-397-5712 (fax)	Horry
Aiken Performing Arts Academy (2005)	9-12	Sheneque Jackson 130 Avery Lane Aiken, SC 29801 Email: sjackson@lkcs.k12.sc.us Web: www.aikenperformingartsacademy.yolasite.com	803-644-4824 803-641-1155 (fax)	Aiken
Allegro Charter School of Music (2015)	6-12	Daniel Neikirk 120 Broad Street Charleston, SC 29401 Email: dneikirk@allegrocharterschool.org Web: www.allegrocharterschool.org	843-297-8033 Fax 843-207-4701	Charleston
Anderson Five Charter School (2012)	9-12	Katie Brown 1225 South McDuffie St. Anderson, SC 29624 Email: katiebrown@anderson5.net Web: www.anderson5.net	864-260-5538 864-260-5911 (fax)	Anderson 5
Belton Preparatory (2018)	K-2	Deirdre McCollough 908 North Main Street Anderson, SC 29621 Email: Deirdre.mccullough7727@gmail.com Web: http://beltonprep.org	864-225-8713	Charter Institute at Erskine
Bettis Preparatory Leadership Academy (2018)	K-5	Myrtis Brightharp-Walker 69 Nicholson Road Trenton, SC 29847 Email: myrtis.b@comcast.net Web: www.bettisprep.org	803-663-7266 803-663-7668 (fax)	SCPCSD
Brashier Middle College (2006)	9-12	Michael Sinclair 1830 West Georgia Rd. Simpsonville, SC 29680 Email: msinclair@bmcchs Web: www.brashiermiddlecollege.org	864-757-1800 864-757-1850 (fax)	SCPCSD
Bridges Preparatory Academy (2013)	K-10	Dr. Nick Ithomitis Mailing Address: PO Box 626 Port Royal, SC 29935 Physical Address: 1100 Boundary Street Beaufort, S.C. 29902	843-982-7732 843-982-7707 (fax)	SCPCSD

School Name	Grades	Contact Mailing Address	Telephone Fax	District
Year Open				
		Email: nithomitis@bridgesprep.org Web: www.bridgesprep.org		
Bridgewater Academy Charter (2003)	K-8	Steve Wilson 191 River Landing Blvd. Myrtle Beach, SC 29579 Email: Wilson@bridgewateracademy.org Web: www.bridgewateracademy.org	843-236-3689 843-236-4921 (fax)	Horry
Calhoun Falls Charter School (2008)	6-12	Kalan Rogers 205 Edgefield Street, PO Box 514 Calhoun Falls, SC 29628 Email: krugers@cfpcs.org Web: www.cfpcs.org	864-418-8014	Charter Institute at Erskine
Cape Romain Environmental Education Charter School (2012)	K4-7	Margaret Crouch 1011 Old Cemetery Rd McClellanville, SC 29458 Email: mcrouch@creecs.org Web: www.creecs.org	843-887-3323 843-887-3525 (fax)	SCPCSD
Carolina School for Inquiry (2006)	3K-6	Victoria Dixon-Mokeba 7405-A Fairfield Road Columbia, SC 29203 Email: vdixon-mokeba@carolinaschoolforinquiry.org Web: www.carolinaschoolforinquiry.com	803-691-1250 803-691-1247 (fax)	Richland One
Carolina Voyager Charter School (2014)	K-6	Dr. Harry Walker 721 Wappoo Road Charleston, SC 29407 Email: hwalker@carolinavoyagercharter.org Web: www.carolinavoyagercharter.org	843-203-3891 843-718-2903 (fax)	Charleston
Charleston Acceleration Academy (2018)	9-12	Deitra Brown 1929 Grimball Road Charleston, SC 29412 Email: deitrab1908@gmail.com Web: www.accelerationacademy.org/charleston/	843-405-7350 843-405-7150	SCPCSD
Charleston Charter School for Math & Science (2008)	6-12	Mary Carmichael 1002 King Street Charleston, SC 29403 Email: mcarmichael@charlestonmathscience.org Web: www.charlestonmathandscience.org	843-720-3085 843-720-3196 (fax)	Charleston
Charleston Development Academy (2003)	4K-8	Dr. Shaun Johnson 233 Line Street PO Box 20518 Charleston, SC 29413 Email: reges300@aol.com Web: www.developmentacademy.ccsdschools.com	843-722-2689 843-722-2694 (fax)	Charleston
Coastal Leadership Academy (2013)	9-12	Joe Greenberg 3710 Palmetto Pointe Blvd. Myrtle Beach, SC 29588	843-788-9898 (fax) 888-410-4826 or 843-294-0228	Charter Institute at Erskine

School Name	Grades	Contact Mailing Address	Telephone Fax	District
Year Open				
		Email: jgreenberg@coastalleadership.org Web: www.coastalleadershipacademy.org		
Coastal Montessori (2012)	1-8	Dr. Nathalie Hunt 111 Old Plantation Drive Pawleys Island, SC 29585	843-235-0413 843-235-0418 (fax)	Georgetown
		Email: nhunt@coastalmontessoricharter.org Web: www.coastalmontessoricharter.org		
Cyber Academy of South Carolina (2013)	K-10	David Crook 330 Pelham Road Suite 101-A Greenville, SC 29615	864-236-4006 864-990-0622 (fax)	Charter Institute at Erskine
		Email: dcrook@k12.com Web: www.k12.com/casc#.U9fqe_1dXUU		
Discovery School of Lancaster County (2000)	K-5	Thomas H. McDuffie 302 West Dunlap Street Lancaster, SC 29720	803-285-8430 803-416-8907 (fax)	Lancaster
		Email: tom.mcduffie@lcsdmail.net Web: www.dis.lancastercsd.com		
East Cooper Montessori Charter School (2003)	1-8	Jody Swanigan 1120 Rifle Range Road. Mt. Pleasant, SC 29464	843-216-2883 843-216-8880 (fax)	Charleston
		Email: jody@montessoricharterschool.com Web: www.eastcooper.ccsdschools.com		
East Link Academy (2018)	K-4	Dana Hutto 2511 Wade Hampton Blvd Greenville, SC 29615	864-775-1313	SCPCSD
		Email: dhutto@eastlinkacademy.org Web: www.eastlinkacademy.org		
East Point Academy (2011)	K-8	Mark Bounds 1340 Knox Abbott Drive Cayce, SC 29033 <i>Elementary campus:</i> 1401 Leaphart Street West Columbia, SC 29169	803-739-4992 (Prim) 803-739-3977 (fax) 803-926-0520 (Elem) 803-926-0524 (fax)	SCPCSD
		Email: mbounds@eastpointsc.org Web: www.eastpointsc.org		
Felton Laboratory (2015)	K-8	Sharon White Mailing address: PO Box 2349 Orangeburg, SC 29116 Physical address: 115 Lance Street Orangeburg, SC 29117	803-536-7034 803-533-3635 (fax)	SCPCSD
		Email: SharonT.White@scsu.edu Web: www.myflcs.org		

School Name	Grades	Contact Mailing Address	Telephone Fax	District
Year Open				
Fox Creek High School (2004)	9-12	Josh Trahan 165 Shortcut Rd. North Augusta, SC 29860	803-613-9435 803-613-1533 (fax)	SCPCSD
Email: jtrahan@fchs.net Web: www.foxcreekhighschool.org				
Gray Collegiate Academy (2014)	9-12	Brian Newsome 3833 Leaphart Road West Columbia, SC 29169	803-951-3321 803-381-9764 (fax)	Charter Institute at Erskine
Email: bnewsome@grayca.com Web: www.graycollegiateacademy.org				
Greenville Renewable Energy Education Charter School (GREEN) (2013)	K-11	Adem Dokmeci 1440 Pelham Rd. Greenville SC 29615	864-288-4134 864-288-0826 (fax)	SCPCSD
Email: adokmeci@scgreencharter.org Web: www.scgreencharter.org				
GREEN Charter School of the Midlands (2017)	K-7	Osman Demirel 7820 Broad River Road Irmo, SC 29063	803-563-5387 803-563-5438 (fax)	SCPCSD
Email: midlands@scgreencharter.org Web: http://scgreencharter.org/gcom/				
Greenville Technical Charter High School (1999)	9-12	Mary Nell Anthony PO Box 5616 Mail Stop 1201 Greenville, SC 29606-5616 <i>Physical address:</i> 506 S. Pleasantburg Drive Building 119 Greenville, SC 29607	864-250-8844 864-250-8846 (fax)	SCPCSD
Email: manthony@staff.gtcs.org Web: www.gtchs.org				
Greer Middle College (2008)	9-12	Fred Crawford 138 West McElhaney Rd. Taylors, SC 29687	864-469-7571 864-469-7573 (fax)	Greenville
Email: fcrawford@greermiddlecollege.org Web: www.greermiddlecollege.org				
Greg Mathis Charter High School (2003)	9-12	Natrice Henriques 2872 Azalea Drive N. Charleston, SC 29405	843-557-1611 843-747-5810 (fax)	Charleston
Email: natrice_dixon@gmchs.org Web: www.ccsdschools.com/schools/k12/greg_mathis_hs.php				
High Point Academy (2014)	K-12	Christy Junkins 6655 Pottery Road Spartanburg, SC 29303	864-316-9788 864-249-1516 (fax)	SCPCSD
Email: cjunkins@hspaspart.org Web: www.hpaspartanburg.com				

School Name	Grades	Contact Mailing Address	Telephone Fax	District
Year Open				
Horse Creek Academy (Midland Valley Preparatory School) (2002)	5K–8	Dr. Frank Roberson 1200 Toolebeck Road Aiken, SC 29803	803-226-0160 803-226-0202 (fax)	Aiken
		Email: frankgrobertson@hcacs.net Web: www.hcacs.net		
James Island Charter High School (conversion) (2003)	9–12	Timothy Thorn 1000 Fort Johnson Road Charleston, SC 29412	843-762-2754 843-762-5228 (fax)	Charleston
		Email: timothy_thorn@charleston.k12.sc.us Web: www.ccsdschool.com		
Lakes and Bridges Charter School (2018)	1-5	Heidi Bishop 161 School Road Easley, SC 29640	864-397-1600 864-855-8161 (fax)	SCPCSD
		Email: hbishop@lakesandbridges.org Web: www.lakesandbridges.org		
Langston Charter Middle School (2005)	6-8	Gregory Abel 1950 Woodruff Rd. Greenville, SC 29607	864-286-9700 864-286-9699 (fax)	Greenville
		Email: gabel@langstoncharter.org Web: www.langstoncharter.org		
LEAD Academy (2016)	K-8	Rodney Johnson P.O. Box 17617 Greenville, SC 29606 <i>Physical Address:</i> 804 Mauldin Road Greenville, SC 29607	866-302-1278 864-770-1790 (fax)	SCPCSD
		Email: rjohnson@myleadacademy.org Web: http://myleadacademy.com/		
Legacy Early College (Elementary) (2006)	K-4 (Site 1)	Virginia Burrows 1613 West Washington St. Greenville, SC 29601	864-214-1600 864-451-7023 (fax)	SCPCSD
		Email: vburrows@legacycharterschool.com Web: www.legacycharterschool.com		
Legacy Early College (Middle) (2006)	5-8 (Site 2)	Stephen Hampton 900 Woodside Ave. Greenville, SC 29611	864-248-0646 864-631-1109 (fax)	SCPCSD
		Email: shampton@legacyearlycollege.org Web: www.legacycharterschool.com		
Legacy Early College (High) (2006)	9-12 (Site 2)	LaCheryl Smith 900 Woodside Ave. Greenville, SC 29611	864-248-0646 864-631-1109 (fax)	SCPCSD
		Email: lsmith@legacyearlycollege.org Web: www.legacycharterschool.com		
Lloyd Kennedy Charter School (2002)	3–8	Keisha Lloyd-Kennedy 130 Avery Lane Aiken, SC 29802	803-644-4824 803-641-1155 (fax)	Aiken

School Name	Grades	Contact Mailing Address	Telephone Fax	District
Year Open				
		Email: kkennedy@lkcs.k12.sc.us Web: www.aikenperformingartsacademy.yolasite.com/		
Lowcountry Leadership Charter School 2013	K –12	Wes Harris 5139 Gibson Road Hollywood, SC 29449	843-889-5527 843-889-5529 (fax)	SCPCSD
		Email: wharris@lowcountryleadership.org Web: www.lowcountryleadership.org		
Lowcountry Montessori School (2014)	K-12	Amy Horn 749 Broad River Drive Beaufort, SC 29906	843-322-0577 843-322-0925 (fax)	SCPCSD
		Email: a.horn@lowcountrymontessori.com Web: www.lowcountrymontessori.com		
Meyer Center for Special Children (1999)	Pre K–5K	Chris Neeley 1132 Rutherford Road Greenville, SC 29609	864-250-0005 864-250-0028 (fax)	SCPCSD
		Email: cneeley@meyercenter.org Web: www.meyercenter.org		
Meyers School of Excellence (2017)	K-7	John Spagnolia 7750 Henry E. Brown Blvd Goose Creek, SC 29445	843-806-5909 803-806-5910 (fax)	Charter Institute at Erskine
		Email: jspagnolia@meyersschoolofexcellence.org Web: www.meyersschoolofexcellence.org		
Midlands Arts Conservatory (2018)	6-7	Shannon Hickey 3806 North Main Street Columbia, SC 29203	803-630-1622	SCPCSD
		Email: Shannon.hickey@midlandsartsconservatory.org Web: http://midlandsartsconservatory.org/		
Midlands Middle College (2013)	11-12	Courtney Girolamo P.O. Box 2408 Columbia, SC 29202 <i>Physical address:</i> 1260 Lexington Drive West Columbia, SC 29170	803-822-3333 803-822-7039 (fax)	SCPCSD
		Email: cgirolamo@midlandsmiddlecollege.com Web: www.midlandsmiddlecollege.com		
Midlands STEM Institute (2014)	K-8	Marie Milam 223 Crane Street Winnsboro, SC 29180	803-815-1524 803-815-0072 (fax)	Charter Institute at Erskine
		Email: mmilam@midlandsstem.org Web: www.midlandsstem.org		
The NEXT High School (2015)	9-10	Eric C. Schwartz 2000 Wade Hampton Blvd. Greenville, SC 29615	864-214-6398	SCPCSD
		Email: rick_schwartz@nextschoolsnetwork.org Web: www.nexthighschool.org		

School Name	Grades	Contact Mailing Address		Telephone Fax	District
Year Open					
Oceanside Collegiate Academy (2016)	9-12	Brenda Corley 712 S. Pickney Street McClellanville, SC 29458		843-936-7128 Fax (forthcoming)	Charter Institute at Erskine
		Email: bcorley@oceansidecollegiateacademy.org Web: www.oceansidecollegiateacademy.org			
Odyssey Online Learning (2009)	9-12	Rodney Robinson 200 Arbor Lake Drive, 301 Columbia, SC 29223		803-735-9110 803-701-9024 (fax)	Charter Institute at Erskine
		Email: Rodney.robinson@odysseyonline.com Web: www.odysseyonline.com			
Orangeburg Consolidated School District Five Charter High School for Health Professions (2012)	9-12	Johnny Murdaugh 130 Howard Hill Drive Orangeburg, SC 29118		803-535-6374 803-535-1635 (fax)	Orangeburg 5
		Email: Johnny.Murdaugh@ocsd5.net Web: www.hshp.ocsd5.net			
Orange Grove Elementary Charter School (2006) Conversion	K-5	John Clendaniel 1225 Orange Branch Road Charleston, SC 29407		843-763-1520 843-769-2245 (fax)	Charleston
		Email: john_clendaniel@orangegrovecharter.com Web: www.ogecs.ccsdschools.com			
Palmetto Academy of Learning and Success Charter (2010)	K-8	Courtney Fancher 3021 Fred Nash Blvd. Myrtle Beach, SC 29577		843-293-1725 843-293-1726 (fax)	Horry
		Email: palmettoacademy@ymail.com Web: www.palmettoacademy.com			
Palmetto Academy of Motorsports Charter High School (PALM) (2012)	9-12	Avery Moore 136 Rodeo Drive Myrtle Beach, SC 29579		843-903-6600 Fax 843-903-6602	Horry
		Email: amoore@palmmotorsports.com Web: www.palmsc.org			
Palmetto Scholar's Academy (2010)	6-12	Dr. Tim Gott 2415 Avenue F N. Charleston, SC 29418		843-300-4118 843-300-4123 (fax)	SCPCSD
		Email: tim.gott@palmettoscholarsacademy.org Web: www.palmettoscholarsacademy.org			
The Palmetto School at the Children's Attention Home (2004)	K-8	Dr. F. Hugh Wilson Post Office Box 2892 Rock Hill, SC 29732 Physical address: 660 North Anderson Street Rock Hill, SC 29730		803-328-6555 803-327-8618 (fax)	York 3
		Email: hwilson@thepalmettoschool.org Web: www.thepalmettoschool.org			

School Name	Grades	Contact Mailing Address	Telephone Fax	District
Year Open				
Palmetto Youth Academy Charter (2005)	K-6	Yvonne Brown-Burgess 1209 N. Douglas Street Florence, SC 29501	843-679-7070 843-679-7046 (fax)	Florence One
Email: palmettoyouth@yahoo.com Web: www.palmettoyouthacademy.com				
Pattison’s Academy for Comprehensive Education (2010)	K-12	Laura Del Duca 2014 Bees Ferry Road Charleston, SC 29414	843-556-1070 843-556-6742 (fax)	Charleston
Email: Laura.Delduca@pattisonsacademy.org Web: www.pattisonsacademy.org				
Pee Dee Math, Science and Technology Academy (2013)	K-8	E. Keith Bailey 101 Docs Drive Bishopville, SC 29010	803-692-1814 803-866-883-8736 (fax)	SCPCSD
Email: ekbailey@pdmsta.org Web: www.pdmsta.org				
Phoenix Charter High School (1999)	9–12	Eleese Fulton Post Office Box 170 Alcolu, SC 29001 <i>Physical Address:</i> 1423 Hotel Street Alcolu, SC 29001	803-505-6800 803-505-6801 (fax)	Clarendon 2
Email: efulton@csd2.org Web: www.clarendon2.k12.sc.us				
Polaris Tech (2018)	6-10	Melissa Crosby 1508 Grays Highway Ridgeland, SC 29936	843-645-0605 843-491-6371 (fax)	SCPCSD
Email: melissacrosby@polaristech.org Web: www.polaristech.org				
Prestige Preparatory Academy Charter School (2016)	K-6	Joyce Coleman P.O. Box 42485 Charleston, SC 29423 <i>Physical Address:</i> 2415 Avenue F North Charleston, SC 29405	843-529-6016 Fax (not available yet)	Charleston
Email: jcoleman@prestigepreparatoryacademy.org Web: www.prestigepreparatoryacademy.org				
QUEST Leadership Academy (2014)	PK-5	Kristen White 29 Ridgeway Drive Greenville, SC 29605	864-277-7575 Fax 864-277-7404	SCPCSD
Email: kwhite@questleadershipacademy.org Web: www.questleadershipacademy.org				
Richland One Middle College (2004)	11–12	Dr. Tiniece Jarvis 316 S. Beltline Blvd Richland Hall, Room 131 Columbia, SC 29205	803-738-7114 803-738-7117 (fax)	Richland 1
Email: tniece.jarvis2@richlandone.org Web: www.richlandonemiddlecollege.org				

School Name	Grades	Contact Mailing Address	Telephone Fax	District
Year Open				
Richland Two Charter High School (2010)	9-12	Dr. Perry D. Mills, Sr. 7900 Brookmount Lane Columbia, SC 29203	803-419-1348 Fax 803-738-7539 or 803-935-1212	Richland Two
		Email: pmills@richland2.org Web: www.richland2.org/charterhigh		
Riverview Charter School (2009)	K-8	Cora Stepp 81 Savannah Highway Beaufort, SC 29906	843-873-9295 843- 327-8400(fax)	Beaufort
		Email: frontoffice@riverviewcharterschool.org Web: www.riverviewcharterschool.org		
Riverwalk Academy (2014)	K-7	Dr. Robert Compton 5750 Mt. Gallant Road Rock Hill, SC 29732	803-327-8400 803-454-9031 (fax)	SCPCSD
		Email: rcompton@riverwalkacademy.com Web: www.riverwalkacademy.com		
Royal Live Oaks Academy (2012)	K-10	Dr. Karen Wicks P.O. Box 528 Hardeeville, SC 29927 <i>Physical Address:</i> 1398 Church Road Hardeeville, SC 29927	843-784-2630 843-784-2623(fax)	Charter Institute at Erskine
		Email: karen.wicks@rloacs.org Web: www.rloacs.org		
South Carolina Connections Academy (2008)	K-12	Amanda Ebel 220 Stoneridge Drive Suite 403 Columbia, SC 29210	1-800-382-6010 803-212-4712 803-212-4946 (fax)	SCPCSD
		Email: aebel@connectionseducation.com Web: www.connectionsacademy.com/south-carolina		
South Carolina Virtual Charter School (2008)	K-12	Dr. Cherry Daniel 140 Stoneridge Drive Suite 420 Columbia, SC 29210	803-253-6222or 866-467-5184 803-253-6279 (fax)	Charter Institute at Erskine
		Email: cdaniel@scvcs.org Web: www.scvcs.org		
SC Whitmore School (2011)	9-12	John Loveday 501 Commerce Dr. N.E. Columbia, SC 29223	866-476-6416 866-476-1646	SCPCSD
		Email: jloveday@scwhitmoreschool.org Web: www.scwhitmoreschool.org		
Spartanburg Preparatory School (2009)	K-8	Tomikia Whitmire 385 South Spring St. Spartanburg SC 29306	864-621-3882 Fax 864-804-6404	SCPCSD
		Email: tomikia.whitmire@spartanburgprep.org Web: www.spartanburgprep.org		

School Name	Grades	Contact Mailing Address	Telephone Fax	District
Year Open				
Tall Pines STEM Academy Charter School (2016)	5-7	Kathryn F. Griffin 82 Camp Long Road Aiken, SC 29805	803-502-1692 Fax 803-459-1092	SCPCSD
Email: kfgriff@clemson.edu Web: www.tallpinesacademy.com				
The Montessori School of Camden (2018)	K-6	John Moncure 2 Montessori Way Camden, SC 29020	803-432-6828 803-432-6422 (fax)	Charter Institute at Erskine
Email: headmaster@montessori-camden.com Web: www.montessori-camden.com/home				
Virtus Academy of South Carolina (2018)	K-5	Amanda Bailey 704 North Beaverdam Drive Florence, SC 29501	843-617-5087 864-751-5936 (fax)	Charter Institute at Erskine
Email: abailey@virtusacademysc.org Web: www.virtusacademy.org				
York Preparatory Academy (2010)	K5-12	Richard Shepard 1047 Golden Gate Court Rock Hill, SC 29732	803-324-4400 866-469-2083 (fax)	SCPCSD
Email: richard.shepard@yorkprep.org Web: www.yorkprep.org				
Youth Leadership Academy (2012)	6-8	Sandra Blankenship 698 Concord Church Rd. Pickens, SC 29671	864-898-4511 864-898-5784 (fax)	SCPCSD
Email: sblankenship@ylaofsc.com Web: www.ylaofsc.com				

APPENDIX C

Example of Subfund Listing Note Disclosure for Special Revenue Fund

ANYWHERE SCHOOL DISTRICT
YEAR ENDED JUNE 30, XXXX

FEDERAL ADULT EDUCATION PROGRAMS

243 Adult Education—Federal

OTHER DESIGNATED STATE-RESTRICTED GRANTS

919 Education License Plates
935 Reading Coaches
936 Student Health and Fitness - Nurses

OTHER SPECIAL REVENUE GRANTS

237 Title I School Improvement Focus Schools
238 Title I School Improvement Miscellaneous Support Schools
256 Homeless Children State Grant
2xx ROTC
200 Medicaid
8xx Immunization Program
8xx Foreign Language Exchange

Include appropriate subfund codes and program titles for all Adult Education Funds, Other Designated Restricted State grants, and Other Special Revenue grants included in the SCDE-required Special Revenue Supplemental Statement.

APPENDIX D

Career and Technology Education Function and Subprogram Codes, 2018–19

Function Code	Subprogram	Program/Activity Title	Fund Source/Project Component Code
100/200	01	Integration	Perkins, Title I
100/200	02	WBL Activities	Perkins, Title I
100/200	03	Technology Training	Perkins, Title I
200	04	Professional Development	Perkins, Title I
100/200	05	Evaluation/Assessment	Perkins, Title I
100/200	06	Initiate/Improve Program	Perkins, Title I
200	07	Programs of Study	Perkins, Title I
100/200	08	Special Populations	Perkins, Title I
200	09	Career Guidance/Placement	Perkins, Title I
100/200	10	Student Organizations	Perkins, Title I
100	11	Equipment (federal)	Perkins, Title I
100/200	12	Family and Consumer Science	Perkins, Title I
100	13	Adult Programs (LPN)	Perkins, Title I, State
100/200	14	Nontraditional Activities	Perkins, Title I
200	15	Administration	Perkins, Title I
100/200	16	Automotive Technology	Perkins, Title I
100/200	17	Innovative Initiatives	Perkins, Title I
100/200	18	WBL Activities	EIA
100	19	CTE Equipment (EIA/State)	EIA/State
			Special Revenue
200	18	HSTW/MMGW/CCTW	EIA/State
200	21	Teacher Education	Perkins, Leadership
200	22	SC Teacher Recruitment	Perkins, Leadership
100/200	23	CTE Reserve	Perkins, Title I
100/200	24	Nontraditional Program	Perkins, Leadership
200	25	C-TECS	Perkins, Leadership
200	26	AYES	Perkins, Leadership
200	27	State Bd for Tech-Administration	Perkins, Administration

APPENDIX D (Cont'd)

Function Code	Subprogram	Program/Activity Title	Fund Source/Project Component Code
100/200	29	Other CATE Programs	Local
100/200	30	Green STEM	Perkins, Leadership
200	36	Business Week	Perkins, Leadership
100/200	37	Gateway Academy	State
200	39	Administrators Institute	Perkins, Leadership
100/200	40	State Institutions	Perkins, Leadership
200	41	Gender Equity	Perkins, Leadership
200	42	FFA Camp Caretaker	Perkins, Leadership
200	43	Agriculture Education, Teacher Education	Perkins, Leadership
200	44	Student Organization Administration	Perkins, Leadership
200	45	HSTW Projects	Perkins, Leadership
200	46	Bell South	State
200	47	SC Career Planning System	Perkins, Leadership
100/200	48	State Leadership-Special Projects	Perkins, Leadership
200	49	Automotive Education	Perkins, Leadership
200	50	STEM Initiative	Federal Award
200	51	Prepare CTE Teachers for Classroom	Perkins, Leadership, Transition To Teaching Grants
200	61	WBL Career Special	EIA
200	62	WBL Staff Development	EIA
100/200	93	Industry Partnerships	State
200	99	Grand Total	

Internet Sites

SOUTH CAROLINA DEPARTMENT OF EDUCATION

- Home Page

<http://ed.sc.gov/>

- Office of Auditing Services

<http://ed.sc.gov/finance/auditing/>

- Office of Finance

<http://ed.sc.gov/finance/financial-services/>

OMB (OFFICE OF MANAGEMENT AND BUDGET)

- Home Page

<http://www.whitehouse.gov/omb/circulars>

- OMB Compliance Supplement (2018)

https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/circulars/A133/2017/Compliance_Supplement_2017.pdf

<https://www.whitehouse.gov/wp-content/uploads/2018/05/2018-Compliance-Supplement.pdf>

- 2 CFR Part 200 Uniform Administrative Regulations, Cost Principles, and Audit Requirements for Federal Awards

http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2crf200_main_02.tpl

CFDA (CATALOG OF FEDERAL DOMESTIC ASSISTANCE)

- Main Menu

<http://www.cfda.gov/>

U.S. DEPARTMENT OF EDUCATION AUDIT GUIDANCE

- Nonfederal Audit Team Homepage

<http://www.ed.gov/about/offices/list/oig/nonfed/nfteam.html>

INSPECTORS GENERAL

- Single Audit Act Amendments of 1996

http://www.whitehouse.gov/sites/default/files/omb/assets/about_omb/104-156.pdf

APPENDIX E (Cont'd)

AICPA (AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS)

- Home Page

<http://www.aicpa.org/>

THOMPSON INFORMATION SERVICES

- Home Page

<http://www.thompson.com>

GOVERNMENT AUDITING STANDARDS (THE “YELLOW BOOK”)

- Home Page

<http://www.gao.gov/yellowbook/overview>

GOVERNMENT FINANCE OFFICERS ASSOCIATION

- Home Page

<http://www.gfoa.org>

GOVERNMENTAL ACCOUNTING STANDARDS BOARD

- Home Page

<http://www.gasb.org>

FINANCIAL ACCOUNTING STANDARDS BOARD

- Home Page

<http://www.fasb.org>

FEDERAL AUDIT CLEARINGHOUSE

- Home Page

<https://harvester.census.gov/facweb/Default.aspx>

APPENDIX F

Release Authorization for Subrecipient Data

Ms. Diane House
Grants Accounting Section
Office of Finance
South Carolina Department of Education.

ATTENTION: Payment Information

The South Carolina Department of Education is authorized to provide payment information for FY 2017–18 and any subsequent updates relating to funding that may be made available to the certified public accounting firm listed below.

All items below must be completed.

Name of CPA contact: _____ E-mail: _____

Name of CPA firm: _____

Street address: _____ City: _____

State and zip: _____ Phone: _____

This information is to be provided for the purpose of the annual audit of the subrecipient's financial records as prescribed by the Defined Program for South Carolina School Districts, the Single Audit Act of 1984, and the Single Audit Act Amendments of 1996.

Please send this material directly to the independent auditors shown above.

Superintendent/representative's name (Please print.)

Entity name

Superintendent/representative's signature

Date

APPENDIX G

Food Service Employer Contributions

General Appropriation Act, 1999 S.C. Acts 100

Proviso 1.5

(SCDE: Employer Contributions/Allocations) It is the intent of the General Assembly that the appropriation contained herein for “Public School Employee Benefits” shall not be utilized to provide employer contributions for any portion of a school district employee’s salary which is federally funded.

State funds allocated for school district employer contributions must be allocated by the formula and must be used first by each district to cover the cost of fringe benefits for personnel required by the Defined Program, food service personnel and other personnel required by law. Once a district has expended all state allocated funds for fringe benefits, the district may utilize food service revenues to fund a proportionate share of fringe benefits costs for food service personnel.

The Department of Juvenile Justice and the Department of Corrections’ school districts must be allocated funds under the fringe benefits program in accordance with the criteria established for all school districts.

APPENDIX H



Charlie G. Williams
State Superintendent of Education

STATE OF SOUTH CAROLINA
DEPARTMENT OF EDUCATION
COLUMBIA 29201

June 30, 1989

MEMORANDUM NO.: 23

TO: County and District Superintendents of Schools
County and District School Food Service Supervisors/Directors

FROM: *VB* Vivian B. Pilant, Director
Office of School Food Services

SUBJECT: The 1989-90 Appropriations Act

The 1989-90 Appropriations Act addressed five areas in School Food Services - School Lunch Supervisors (Provisos 28.3 and 28.4), Fringe Benefits (Proviso 28.9), School Lunch Program Aid (Proviso 28.18), Nutritional Policies for Foods Available to Students (Proviso 28.100) and School Breakfast (Permanent Proviso, Section 57). The first four areas were contained in Part I Provisos (Temporary) while School Breakfast was addressed in Part II Provisos (Permanent).

This information is being provided for your planning purposes.

PART I PROVISO (TEMPORARY)
H63-Section 28

- 28.3 The amount appropriated in this section for County School Lunch Supervisors shall be used for the payment of salaries of one supervisor for each county at the rate of \$12,905 each per year and no such salary shall be supplemented from funds provided in this section for "School Lunch Program Aid". In the absence of a County Board of Education or with the approval of the County Board of Education in multi-district counties, the salary shall be proportionately distributed among the districts of the county on the basis of the 135 average daily membership of the prior year, provided that such funds must be used for the supervision of the School Food Service Program.
- 28.4 For the Fiscal Year 1989-90 the local supplement to salaries of county School Lunch Supervisors and School Attendance Supervisors shall not be reduced below the supplements paid in 1988-89.

APPENDIX H (Cont'd)

MEMORANDUM NO. 23

June 30, 1989

Page Two

- 28.9 Funds contained herein for school district employer contributions must be allocated by a formula based on the number weighted pupil units in each district and must be used first by each district to cover the cost of fringe benefits for personnel required by the Defined Minimum Program, food service personnel and other personnel required by law. Once a district has expended all state allocated funds for fringe benefits, the district may utilize food service revenues to fund a proportionate share of fringe benefits costs for food service personnel.
- 28.18 The amount appropriated herein for School Lunch Program Aid shall be divided among the County Boards of Education of the State upon the basis of the number of schools participating in the School Lunch Program in each county during the school year 1988-89. The travel expenses of the County School Lunch Supervisor shall be paid from this appropriation at the prevailing rate of mileage allowed by the State. These funds may be used as an aid in improving the School Lunch Program. In the absence of a County Board of Education in multi-district counties, the funds will be divided among the school districts of the county on the basis of the number of schools participating in the School Lunch Program in each district during the school year 1988-89.
- 28.100 The State Board of Education shall develop nutritional policies for foods available to students during the school day based on the United States Dietary Guidelines for Americans and the nutritional requirements of the National Child Nutrition Program and local school districts and school food service programs are urged to adopt the nutrition policy of the State Board of Education.

PART II PROVISOS (PERMANENT)

Document Number 5302U
SECTION 57

The 1976 Code is amended by adding:

"Section 59-63-765. If a school has at least a forty percent enrollment receiving free or reduced priced lunches, the school district may implement in that school a nutritional, well-balanced school breakfast program if federal funds are available to cover the entire cost of the program and if no additional personnel are required to implement the program."

Provisos 28.3, 28.4 (Supervisors Salary), and 28.18 (School Lunch Program Aid) are essentially the same as previous years. The salary is \$12,905 FY 89-90. You will be notified of the Program Aid amount for your district later in the summer.

Proviso 28.9 on fringe benefits is a change with the additional sentence regarding the use of food service revenues to fund a proportionate share of fringe benefits costs for food service personnel once a district has expended all state allocated funds for fringe benefits. Enclosed with this memo is guidance on how to calculate the fringe benefits for food service personnel based on this proviso.

MEMORANDUM NO. 23

June 30, 1989

Page Three

Essentially, once the district has determined the percentage of the shortfall in fringe benefits for the personnel specified in the proviso then the percentage of the shortfall can be applied to school food service employees and paid out of the food service fund.

Proviso 28.100 on Nutritional Policies - This office will keep you informed of State Board of Education actions pertaining to nutritional policies for foods available to students.

School Breakfast - This office will provide to districts a list of schools in their district with forty percent enrollment receiving free or reduced price lunches which meet the criteria specified in Section 59-63-765 of the 1976 Code.

Since this category essentially meets the Federal Breakfast Regulations 7 CFR 220 definition of Severe Need Schools, districts will be eligible for additional reimbursement for breakfasts served in their schools providing they have costs in excess of the regular reimbursement rates. The 1989-90 reimbursement rates for lunch and breakfast will be forwarded to districts in early July. Additional information on the breakfast program is addressed in Memorandum No. 22, dated June 28, 1989, and will also be discussed at the July 31, 1989 statewide meeting.



Dr. Barbara S. Nielsen
State Superintendent of Education

STATE OF SOUTH CAROLINA
DEPARTMENT OF EDUCATION
COLUMBIA 29201
April 5, 1991

MEMORANDUM NO.: 19

TO: School Business Officials
County and District Superintendents of Schools
County and District School Food Service Supervisors/Directors

FROM: *WBP* Vivian B. Pilant, Director
Office of School Food Services

SUBJECT: 1. Misuse of School Food Service Funds
2. Interest Earned on School Food Service Funds

1. Recent reviews have disclosed situations in which local school districts have misused program funds. Specifically funds were being utilized for non-program purposes in direct violation of 7 Code of Federal Regulations, Part 210.14 (a) that states "Revenues received by the nonprofit school food service are to be used only for the operation or improvement of such food service..." According to U. S. Department of Agriculture (USDA) school districts who are determined to be in violation of this regulation will have reimbursement suspended pending the resolution and restitution of the amount due.

Whereas this policy does not prohibit the district from making an internal loan, the attached Policy Memorandum 87-6 from U. S. Department of Agriculture outlines the conditions that must be met, before and after, if loans are made from school food service funds.

2. Another situation that requires clarification is that of interest earned on school food service funds. According to USDA, Policy Memorandum 88-4, any interest earned on school food service funds, children's lunch payments and program reimbursement must be credited to the school food service fund and used only for program purposes.

USDA funds for program reimbursement must be entered into the school food service fund as soon as possible on receipt. If program reimbursement funds are held in a different fund, (such as a district's general fund) before placing it into the school food service fund, any interest on this USDA revenue must also be credited to the school food service fund. This policy regarding loans and interest earned on school food service funds is included in the compliance requirements of the annual Single Audit Guidelines issued by the Department of Education.

APPENDIX I (Cont'd)



United States
Department of
Agriculture

Food and
Nutrition
Service

Southeast
Region

1100 Spring St., NW.
Atlanta, GA 30367

Reply to

Attn. of: SESN-211

Policy Memorandum 88-4

Subject: Interest Earned on School Food Service Funds

OFFICE FEB 10 1988
SCHOOL FOOD SERVICES

FEB 16 1988

RECEIVED

To: State Child Nutrition Directors
State Food Distribution Directors

According to Policy Memorandum 80-32, any interest earned on school food service funds, children's lunch payments and program reimbursement must be credited to the school food service account and used only for program purposes.

USDA funds for program reimbursement must be entered into the school food service account as soon as possible on receipt. If program reimbursement funds are held in a different account, (such as a county's general fund) before placing it into the school food service account, any interest on this USDA revenue must also be credited to the school food service account.

If you have any questions, please call the Policy and Procedures Section at (404) 347-7802.

CHARLES C. CAREY
Regional Director
Special Nutrition Programs



United States Department of Agriculture
Food and Nutrition Service

Southeast Region

Reply to
Attn. of: SA 9-1-General

Subject: NSLP Policy 210.19-02: Use of Revenues Generated by the Food Service Account

To: All State Child Nutrition Directors
Southeast Region

We received an inquiry from a State Director requesting a statement of the Food and Nutrition Service's (FNS) position on whether or not revenues generated by the sale of competitive foods by the school food service can be available for uses other than the school food service. According to the State Director's letter, some schools contend that the language in 7 CFR 210.11(b) permits revenue from competitive food sales to be made available to entities in the school other than the food service even if the foods are provided through the school food service. It is the State Director's position that 7 CFR 210.14 expressly prohibits revenue from the food service account to be used for any purpose other than the food service and that this prohibition extends to revenue generated by the school food service's sale of competitive foods.

The 7 CFR 210.14(a) stipulates that revenues received by the nonprofit school food service are to be used only for the operation or improvement of such food service...." There are no exceptions to this requirement. If the food service account is used to purchase and provide foods sold in competition with the reimbursable meal service, all of the revenue from these sales must accrue to the food service account. It also should be noted that this requirement extends to any foods provided through the food service account, regardless of where they may be sold. For example, if vending machines outside of the food service area are stocked using funds from the food service account, the proceeds from those vending machines must return to the food service account and only to the food service account.

This position is underscored by 7 CFR 210.19(a)(2), which stipulates the actions a school food authority (SFA) must take if the monies in the food service account exceed a three month operating balance (the definition of nonprofit food service account). The options available to SFAs in these situations are (1) to reduce the price children are charged for meals, (2) to improve food quality and (3) take other action designed to improve the nonprofit school food service. Making excess funds available to the general school fund or to other school organizations is not an approved option.

State Directors

Page 2

The purpose of these restrictions is to ensure that the food service is able to provide school meals that are nutritious, appealing and affordable for children, and 7 CFR 210.11(b) must be viewed in this context. Had FNS intended to except revenues from competitive foods from these requirements, this exception would have been specified in the regulation.

The intent of 7 CFR 210.11(b) is to limit the organizations that may receive revenue from the sale of competitive foods. Essentially, this regulation prohibits profit making entities or other organizations not connected with the school from benefiting from the sale of competitive foods in the food service area. Only operations and organizations that are a part of the school may benefit from these sales, and then only to the extent that they operate the competitive food service themselves.

Therefore, the food service account would generally be the principal beneficiary from sales of competitive foods, since these foods are normally provided through the food service account. However, the regulation does permit other approved school organizations to sell competitive foods in the cafeteria or elsewhere and to receive the revenues from these sales. If, for example, the principal maintains a vending machine that dispenses juices or other non-prohibited competitive foods, the revenue from that machine could accrue to the principal's general fund or to other school operations designated by the principal. These revenues would not have to be placed in the food service account. Also, if a student organization or the PTA were to operate a bake sale, the revenues would be used for the benefit of the school or the student organization.

We hope this memorandum clarifies the relationship of competitive food revenues to the food service account. Should you have any questions, please contact our office.

CHARLIE SIMMONS
Regional Director
Special Nutrition Programs

APPENDIX J (Cont'd)



United States Department of Agriculture
Food and Nutrition Service

OFFICE

SCHOOL Southeast Region

Reply to
Attn. of: SA 9-1

May 19 1999

DEC 28 1998

KL -

Subject: Policy 210.14-02: Use of School Food Service Funds

To: All State NSLP Directors
Southeast Region

This memorandum reissues policy previously released as NSLP/SBP/SMP Policy memorandum 83-2, dated February 16, 1983; Policy memorandum 84-1 dated November 30, 1983, and Policy memorandum 97-10, dated January 30, 1997. Any changes to the original memoranda are in **bold**.

Improvement of Facilities

As stated in 7CFR 210.19(a)(2), each SA is responsible for establishing a financial management system which will prescribe the approval of nonprofit food service expenditures. Except for the purchase of land and buildings, the SA retains primary responsibility for determining whether a capital project expenditure is considered an allowable cost. Also, the SA is usually better able to assess an SFA's operational needs than the Regional Office (RO).

There have been some questions concerning the distinction between construction of a building and improvement of facilities, as in the case of an addition to the kitchen or dining area. Our general rule of thumb is that construction activities which increase the square footage of a building constitute the construction of a building, while renovations or improvements to a structure which do not increase its size would be an improvement of facilities. In the case above, nonprofit school food service revenues could not be used to add a kitchen or a dining area to an existing building; they could, however, be used to convert existing space in the building into a kitchen or a dining area.

Another question which has been posed is regarding the installation of air conditioning in school food service (SFS) facilities, specifically in the kitchen area. 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.

61 Forsyth Street, S.W., Room 8T36, Atlanta, GA 30303-3415

FORM FCS-603 (3-96)

APPENDIX J (Cont'd)

State NSLP Directors

Page 2

Regarding the use of SFS funds to install air conditioners in new school construction, the appropriate office of Management and Budget (OMB) Circular should be referenced when determining whether an expenditure is allowable. For example, Section C.1 of OMB Circular A-87 would be used for the purpose of determining allowable costs for State and local governments. Occasionally, a capital expenditure benefits more than just school food service. The SA must ensure that the capital project is prorated on an appropriate cost allocation basis (e.g., square footage, etc.). Any costs charged to or paid by the nonprofit school food service must be based on actual service or benefit to the nonprofit food service operation. Expenditures associated with the use of buildings, capital improvements, and equipment may be expended against the school food service account through a use allowance or depreciation.

The intent of the regulations is to provide greater flexibility in the use of funds to protect and improve the quality of food service delivery. Administering agencies will have to exercise their own judgment in evaluating individual cases.

Salaries

An employee's full salary may be charged to or paid by the nonprofit school food service only if that employee works full-time for the nonprofit school food service. If an employee performs part-time or occasional work for the nonprofit school food service, only the cost of that part-time or occasional work may be charged to the nonprofit school food service. For example, a full-time clerical or accounting employee may work only one hour a week for the nonprofit food service completing forms or verifying records; in this case, nonprofit school food service revenues may only pay for one hour of the employee's salary each week. OMB Circular A-87 requires school food authorities to document that nonprofit school food service revenues are used appropriately. Payrolls must be supported by time and attendance records for the individual. Salaries chargeable to more than one program shall be supported by appropriate time distribution records.

Should your staff have any questions regarding this matter, please have them contact our office.



CHARLIE SIMMONS
Regional Director
Special Nutrition Programs

APPENDIX J (Cont'd)



United States Department of Agriculture
Food and Nutrition Service

OFFICE OF
SCHOOL Nutrition
Southeast Region

MAR 19 1999

Reply to
Attn. of: SA 9-1

1 MAR 1999

KL-1111

Subject: 210.14-05: Misuse of Program Funds

To: All State Directors:
National School Lunch Program (NSLP)
Southeast Region

This memorandum was originally issued as Policy Memorandum 87-6, on March 31, 1987. Any changes made to the original memo are in **bold**.

Recent reviews have disclosed a number of situations in which School Food Authorities (SFA's) have misused program funds. Specifically, funds were being utilized for non-program purposes in direct violation of Part 210.14 (a) that states "Revenues received by the nonprofit school food service are to be used only for the operation or improvement of such food service...."

This policy does not prohibit the SFA from making an internal loan of school food service (SFS) funds for use in other school system operations, **but such loans must be recovered by SFS. The SFS may, at its option charge interest for the duration of the loan.**

Should your staff have any questions regarding this matter, please have them contact this office.

A handwritten signature in cursive script, appearing to read "C. Simmons".

CHARLIE SIMMONS
Regional Director
Special Nutrition Programs

APPENDIX J (Cont'd)



United States Department of Agriculture
Food and Nutrition Service

OFFICE OF
SCHOOL FOOD SERVICE
Southeast Region

MAR 19 1999

1 MAR 1999

Reply to:
Attn. of: SA 9-1

RECEIVED

Subject: 210.14-06: Interest Earned on School Food Service Funds

To: All State NSLP Directors

This memorandum reissues policy previously issued as Policy Memorandum 80-32, dated September 09, 1980, and Policy Memorandum 88-4, dated February 10, 1988. Any changes made to the originals are in **bold**.

We have received several inquiries concerning whether or not interest earned on children's payments and program reimbursements should be considered to be program income or revenues. Section **210.2**, defines revenue as all monies received by or accruing to the non-profit school food service... including earnings on investments and Federal cash reimbursement. Part 210.14 further states, "Revenues received by the non-profit school food service are to be used only for the operation or improvement of such food service..." For additional information, refer to OMB Circular A-102, Attachment E, which establishes standards for federal agencies to use in administering grants to State, local, and Indian tribal governments, including school districts participating in the Child Nutrition Programs under State agency administration.

USDA funds for program reimbursement **should** be entered into the school food service account as soon as possible on receipt. If program reimbursement funds are held in a different account, (such as a county's general fund) before placing it into the school food service account, any interest on this USDA revenue must also be credited to the school food service account.

Should your staff have any questions about this matter, please have them contact this office.

A handwritten signature in cursive script, appearing to read "Charlie Simmons".

CHARLIE SIMMONS
Regional Director
Special Nutrition Programs



United States
Department of
Agriculture

Food and
Nutrition
Service

3101 Park
Center Drive

Alexandria, VA
22302-1500

DATE: July 13, 2001

SUBJECT: Commerical Labels

TO: State Child Nutrition Director
State Distributing Agency Director

Some changes in the Department of Agriculture (USDA) commodity program will result in school food authorities (SFAs) and other Child Nutrition (CN) program outlets receiving an increasing number of products with commercial labels in place of the USDA commodity label. Realizing that this change will affect the maintenance of separate commodity inventory and accounting records, we have been piloting a record keeping system that would eliminate the need for separation.

We are offering States the opportunity to use a single inventory record keeping system on a voluntary basis beginning with the current school year (SY 2001-2002). States who choose to use this single system are granted a waiver from 7 CFR Part §250.14(e) that requires State Distributing Agencies (SDAs) to take a physical inventory of commodities during annual reviews of recipient agencies. A waiver is also granted for 7 CFR Part §250.16(a)(2) that requires SDAs to require recipient agencies to maintain accurate and complete inventory of donated foods. SFAs and other CN program outlets in States electing the single inventory system must be provided with the information contained in this memorandum and directed to retain the information on file for audit and review purposes.

These changes in record keeping will affect both the SDAs and the State Child Nutrition Agencies. Attached is guidance on the requirements for the single inventory method.

For additional information, please contact your Regional Office or Suzanne Rigby, Branch Chief, Schools and Institutions, Food Distribution Division.

\s\

STANLEY C. GARNETT
Director
Child Nutrition Division

\s\

LES JOHNSON
Director
Food Distribution Division

Attachment

**Inventory Record Keeping System
to
Accommodate Commercial Labels on Commodities
(July 13, 2001)**

One of the USDA initiatives for the commodity program is to operate using business practices where possible. Allowing vendors that supply commodities to USDA to use commercial labels rather than USDA labels has been piloted since 1996 in the Department's household programs. The practice has demonstrated a cost savings and USDA is expanding its use into other CN programs. Some vendors already use commercial labels, additional vendors will begin commercial labeling in SY 2001-02 and by SY 2002-03, all vendors will be permitted to use commercial labels. With the loss of visual identification of commodities, it will be difficult for schools and other CN outlets to inventory commodity products separate from purchased products. States adopting the single inventory method have been granted waivers from separate commodity inventory reporting requirements.

SFAs in North Carolina and Maryland piloted the single inventory method and accounted for commodities along with purchased inventory. The pilots began January 1, 2001 on a voluntary basis. Each participating SFA and State operated with a waiver of the Part 250 requirement for a separate inventory report for commodities. A commodity became the property of the SFA when the SFA received it from the State. Both States will again operate the pilot system in SY 2001-02.

Implications and Changes with using Commercial Labels on Commodities
There are several considerations involved when implementing the new single inventory requirements.

State Level

1. There will be no "Value of Ending Commodity Inventory" figure for financial reports separate from "Value of Ending Purchased Inventory." Each State must determine if the loss of that figure will have affect on such things as State reimbursement determination, etc.
2. State DAs will no longer be required to perform inventory reconciliation when performing local school visits, nor will they need to require SFAs submit ending commodity inventories. Assessing for damaged or out-of-condition commodity at the recipient level will no longer be the State's responsibility.
3. The State must determine, on a statewide basis, the value that the SFA/CN outlet will assign to the products. This value can be the most recent commodity file value, the commodity file value for the specific delivery, full replacement cost, or a composite of the commodity file value and replacement cost. States must consider a number of factors in determining the value that will be assigned. For example, some SFAs/CN outlets receive sufficient quantities of a particular commodity and have no need to purchase an equivalent product. As a result, if the State elects to use full replacement

AN EQUAL OPPORTUNITY EMPLOYER

APPENDIX K (Cont'd)

cost, the State may need to devote substantial efforts in assisting the SFA/CN outlet in determining the value to assign.

SFAs and Other CN Outlets

1. The value of the commodity will be realized when title passes to the SFA/CN outlet. At that point, the product becomes the property of the SFA/CN outlet and is a nonprofit food service account asset.
2. Since separate inventories are no longer required, the same inventory valuation method currently used by the SFA/CN outlet for purchased products would now apply to commodity products. For example, if the SFA uses FIFO (first in-first out) for purchased products, the SFA would use FIFO for its commodity products.
3. The SFA/CN outlet will treat and safeguard its commodities just as it now does with supplies purchased with nonprofit food service account funds. As always, good inventory management and control practices must be maintained.
4. The SFA/CN outlet may use the commodities across programs as long as all income accrues to the nonprofit food service account in the same manner income currently accrues from the use of supplies purchased with nonprofit food service account funds.
5. When a loss of a commodity occurs after title has transferred, the SFA/CN outlet is required to use the same procedures currently in place for reporting purchased product losses. If the SFA/CN outlet is not obligated to report purchased product losses to the State agency, the SFA/CN outlet will no longer be responsible for reporting commodity losses. However, the SFA/CN outlet remains responsible for ensuring that all nonprofit food service resources are safeguarded and reminded that any misuse of nonprofit food service resources is subject to criminal prosecution under section 12(g) of the National School Lunch Act.
6. Commodity entitlement credit will be available to SFAs that furnish food for Nationally declared disaster feeding. The credit cannot exceed the lesser of the actual commodities supplied or the amount of the commodity received during the past 12 months.
7. Once received by the SFA/CN outlet, the State will not be involved in arranging or accounting for transfers to other agencies. Transferring of commodities may still occur, however, arrangements will be made at a local level. Since the value of the commodity has already been realized by the SFA/CN outlet, no additional entitlement will be credited. It will be the responsibility of each SFA/CN outlet to recoup the transferred product value.
8. Food safety recalls will follow the current USDA Hold and Recall procedures. As with any commercial product, can codes and establishment numbers will be used.
9. Since not required on commercial labels, the pack date will be lost. As you know, this information was the basis for "Best if Used by Dates" guidance. This guidance will no longer be made available, therefore SFAs/CN outlets should be reminded to maintain good inventory practices.

APPENDIX K (Cont'd)



United States Department of Agriculture
Food and Nutrition Service

Southeast Region

Reply to
Attn. of: SERO Policy

October 19, 2001

Subject: Policy 250.14-04 and 210.15-01: Questions and Answers for Single Inventory Recordkeeping

To: All State Directors
National School Lunch Programs (NSLP)
Food Distribution Programs (FDP)
Southeast Region

The Food and Nutrition Service issued a memo on July 13, 2001 waiving the part of §250.14(e) that requires schools and child care centers to take an annual physical inventory of commodities in storage facilities. The memo also waives the part of §250.16(a)(2) that requires them to maintain commodity inventory records. The waiver permits SDAs to allow schools and childcare centers to adopt a single inventory recordkeeping method that will account for commodities along with purchased food, and current regulatory requirements to maintain USDA commodities separate from purchased inventory will be waived. While general guidance for using this method accompanied the waiver, additional questions have arisen. The following guidance is provided in response to those questions and applies only when a State has adopted the new recordkeeping method.

1. Q. Does the single inventory recordkeeping system apply only to commodities with commercial labels?

A. No. When the school or childcare center adopts the single inventory system, it applies to all commodities regardless of whether they have commercial labels or USDA labels.

2. Q. How does the recordkeeping change affect the OMB Circular A-133 Single Audits?

A. Guidance for the OMB Circular A-133 is based on the Part 250 regulations. Since the specific regulations for maintaining a separate inventory for commodities are being changed, this will not be part of OMB audit requirements. The compliance supplement will be updated to reflect the changes.

The value of commodity expended during the past year is a required factor to determine whether the school food authority exceeds the value threshold and must have a Single Audit. Included in the compliance supplement update will be guidance for deriving the expended commodity value to be used for this purpose.

61 Forsyth Street, S.W., Room 8T36, Atlanta, GA 30303-3415

FORM FCS-603 (3-98)

3. Q. How long is the waiver in effect?

The waiver is in effect until regulatory changes are made.

4. Q. Does the SDA continue to decide the value of the commodities to be used by the schools and child care centers?

A. Yes. The SDA must assign the value of the commodity using one of the following three methods described in §250.13(a)(5): the actual cost-per-pound data; the estimated cost-per-pound data provided by USDA; or the USDA commodity file cost as of a specified date. Most SDAs are already using one of these methods and, therefore, will not need to do anything differently.

5. Q. What basis should schools and centers use for establishing their inventory values?

A. Schools and centers are going to need to value inventory for three different situations.

- **Purchased inventory for which there is no commodity equivalent.** An example might be condiments such as catsup. It is suggested that schools and centers base the value on the net cost for that type of inventory. That value probably would be different for each school system and center in the State.
- **Commodity product for which there is no equivalent commercial product purchased by the school or center.** Examples may include pouched salmon, frozen diced chicken or prune puree, which are commodity products that schools typically do not purchase. The SDA assigns the value using one of the methods described under Question 4 and that value would be the same for all operations throughout the State.
- **Inventory of foods that are both purchased and provided as commodities.** Canned fruits and vegetables are examples. Schools and centers could base the value on the net cost assigned to the purchased products. Or they could use the SDA- determined commodity value. Or they could use an average or weighted average of the two values.

6. Q. How will the value of commodities used by food service management companies (FSMC) be determined and passed to the SFA if inventory is not kept separate?

A. The single inventory method does not change the requirements at §210.16(a)(6). This provision requires that all Federally donated foods received by the SFA and made available to the FSMC accrue only to the benefit of the SFA's nonprofit food service. The SFA should continue to use its existing method for ensuring the value of purchased product inventories and donated food inventories accrue to the benefit of the SFA's nonprofit food service account. FNS is exploring whether additional guidance on commodity value pass through is needed.

APPENDIX K (Cont'd)

All State NSLP, FDP Directors

Page 3

7. Q. How does a State that wishes to adopt the new inventory method proceed?

A. Properly implementing the single inventory recordkeeping system involves several State agencies. The steps leading to successful implementation are:

The State CND, SDA and State Financial Division should jointly identify all areas of State recordkeeping and procedures that will require change as a result of losing the ending commodity inventory value. Then, new procedures should be developed. The USDA Regional Office should be notified of the implementation date. State auditors should be consulted regarding the recordkeeping changes. The waiver notice will need to go to school systems and centers for them to use with local auditors. School systems and centers will need proper training on the new method as well as any adjustment to the State reporting system.

Please advise our office as to whether or not your State will implement single inventory recordkeeping for Fiscal Year 2002. If so, what is the expected date? Additionally, if not all districts are going to participate, which districts will participate? Remember, all other inventory requirements are in place until the single inventory recordkeeping has been implemented. Should you have any questions regarding this information, please contact Mike Pace in the School and Family Nutrition Section at (404) 562-7090.

CHARLIE SIMMONS
Regional Director
Special Nutrition Programs

APPENDIX K (Cont'd)



United States
Department of
Agriculture

Food and
Nutrition
Service

3101 Park
Center Drive

Alexandria, VA
22302-1500

TO: State Distributing Agencies

FROM: Suzanne Rigby, Acting Director
Food Distribution Division

RE: Single Inventory Recordkeeping

OMB Circular A-133,
Compliance Supplement

The Compliance Supplement for the OMB Circular A-133 has been revised to provide direction for auditors when a school food authority is using the Single Inventory Recordkeeping. The revision may be found at:

http://www.whitehouse.gov/omb/circulars/a133_compliance/02toc.html.

- Under "Select Compliance Supplement Documents," select "Part 4: U.S. Department of Agriculture (USDA)."
- Open document using PDF, Word or WordPerfect.
- The instructions for auditors for Single Inventory Recordkeeping may be found on pages 4-10.553-19 through 4-10.553-21.

AN EQUAL OPPORTUNITY EMPLOYER

APPENDIX L

SUBJECT: Catalogue of Federal Domestic Assistance (CFDA) Number for Identifying
Commodity Assistance in A-133 Audits

TO: Financial Management Directors
All Regions

As you know, the auditee of an A-133 audit must identify its Federal awards by CFDA number in the required Schedule of Expenditures of Federal Awards (SEFA) and in the single audit data collection form (SF-SAC). We understand that State agencies, their subgrantees, and auditors have recently experienced confusion regarding the correct CFDA number to use when identifying commodity assistance in these documents.

The CFDA number for Food Distribution has historically been 10.550, and many State and local agencies have used it to refer to commodity assistance. However, FNS policy holds that commodities are an integral part of the categorical programs under which USDA makes them available and should be identified with those programs. Item 71 of the A-133 Q&As issued in 1999 explains that cash and commodity assistance for the same program “are inextricably linked. At the local level, donated commodities and food purchased with cash reimbursement payments are used in preparing the same school lunches. Children are eligible for the lunches, regardless of what combination of purchased and donated foods was used in their preparation.” For this reason, the cash and commodity assistance must be viewed as components of the same program.

The categorical programs affected by this policy and their CFDA numbers are: the National School Lunch Program (NSLP)(CFDA 10.555), the Child and Adult Care Food Program (CACFP)(CFDA 10.558), the Summer Food Service Program (SFSP)(CFDA 10.559), the Commodity Supplemental Food Program (CSFP)(CFDA 10.565), and the Food Distribution Program on Indian Reservations (FDPIR)(CFDA 10.567). Since commodities used in The Emergency Food Assistance Program (TEFAP) have their own program-specific CFDA number (10.569), TEFAP is not affected by this policy.

Schools often use commodities in the School Breakfast Program (SBP)(CFDA 10.553), but that program does not appear in the foregoing list of affected programs. This is because the SBP, unlike the NSLP, does not generate separate commodity entitlements for State agencies and the schools under their oversight. There is no “award” of commodities under the SBP. Since reporting in the SEFA and SF-SAC focuses on the expenditure of Federal awards, commodities used in the SBP should be deemed “awarded” under the NSLP and reported as such.

Despite the promulgation of this longstanding policy, we understand that it is still not widely understood. Our deletion of CFDA No. 10.550 from the CFDA on May 6, 2008 seems to have exacerbated the confusion. We took this action because the CFDA write-up no longer reflected the way FNS receives funding for commodity assistance. Given the foregoing, FNS has adopted the following position:

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Audit Periods That Began Before May 1, 2008.

State and local agencies and their auditors may use whatever CFDA number they have customarily used to identify commodity assistance in the SEFAs and SF-SAC forms for audits covering auditee fiscal years that began before May 1, 2008. Auditors that have already issued reports on such audits, using CFDA number 10.550 for this purpose, need not re-issue them. The rationale for this position is that the CFDA in effect when these audit periods began still gave 10.550 as the CFDA number for Food Distribution. If the auditor and/or auditee use(s) CFDA number 10.550 as a generic Food Distribution identifier, the full disclosure principle necessitates that they include the following statement as a note to the SEFA:

“CFDA number 10.550 pertains to food commodities distributed by USDA under the following categorical programs (as applicable): the National School Lunch Program (CFDA 10.555), the Child and Adult Care Food Program (CFDA 10.558), the Summer Food Service Program (CFDA 10.559), the Commodity Supplemental Food Program (CFDA 10.565), and the Food Distribution Program on Indian Reservations (CFDA 10.567). USDA deleted this number from the CFDA on May 6, 2008. The audit covering (name of auditee) fiscal year beginning (date), and future audits, will therefore identify commodity assistance by the CFDA numbers of the programs under which USDA donated the commodities.”

Audit Periods Beginning on or After May 1, 2008.

For audits of auditee fiscal years beginning on or after May 1, 2008, State and local agencies and their auditors **must** identify commodity assistance by the CFDA numbers of the categorical programs under which USDA donated the commodities. We recommend the following presentations:

For the SEFA.

Exhibit E to the A-133 Q&As we issued in 1999 presented two suggested formats for presenting cash and commodity assistance for the Child Nutrition Cluster in the SEFA. That exhibit is attached to this memorandum. We consider it suitable for the other affected programs as well.

For the SF-SAC.

Page 3 of the SF-SAC gives a matrix in which the auditee and/or auditor can list the auditee's Federal awards by CFDA number and provide additional information about them. For entering programs for which the auditee received commodity assistance, we recommend reporting the program's cash and commodity components on separate lines but using the same CFDA number for both. For example, an auditee that operated the National School Lunch Program would enter “10.555” and “National School Lunch Program – Cash” on one line; and “10.555” and “National School Lunch Program – Commodities” on the following line. Since both are elements of the Child Nutrition Cluster, both must be identified as major in column (g), page 3 of the SF-SAC whenever the Cluster as a whole is audited as a major program.

APPENDIX L (Cont'd)

Please share this information with your Special Nutrition Programs counterparts, with the State agencies for which you have oversight responsibility, and with the audit communities in their States.

Lael J. Lubing
Director
Grants Management Division

Attachment

cc: Marbie Baugh, OIG
Rachel Bishop, OGC
Peter Laub, OCFO
Cynthia Long, CND
Cathie McCullough, FDD
Gilbert Tran, OMB

FNS:FM:GMD:Lipsey:10-29-2008.Revised01-29-2009.Revisedjdh:01-30-2009.Revisedjdh:02-03-2009.Revised02-23-2009.

GMD Filing Classification: FPI-18-2 (Audit Policy)

File name: "FD CFDA 10.550"

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Exhibit E

Page 1 of 2

SUGGESTED PRESENTATIONS OF THE CHILD NUTRITION CLUSTER IN THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

EXAMPLE 1 - Focus on Assistance Component:

U.S. DEPARTMENT OF AGRICULTURE

Pass-Through - State Department of Education:

Child Nutrition Cluster:

Non-Cash Assistance (Commodities):

National School Lunch Program	10.555	\$xx,xxx,xxx	
Summer Food Service Program for Children	10.559	x,xxx,xxx	
<i>Non-Cash Assistance Subtotal</i>			\$xx,xxx,xxx

Cash Assistance:

School Breakfast Program	10.553	\$xxx,xxx,xxx	
National School Lunch Program	10.555	xxx,xxx,xxx	
Special Milk Program for Children	10.556	xx,xxx	
Summer Food Service Program for Children	10.559	x,xxx,xxx	
<i>Cash Assistance Subtotal</i>			xxx,xxx,xxx

<i>Total for Program (Cluster)</i>			\$xxx,xxx,xxx
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Total for Federal Grantor Agency

APPENDIX L (Cont'd)

Exhibit E
Page 2 of 2

EXAMPLE 2 - Focus on Categorical Programs:

U.S. DEPARTMENT OF AGRICULTURE

Pass-Through - State Department of Education:

Child Nutrition Cluster:

School Breakfast Program - Cash Assistance	10.553	\$xx,xxx,xxx
National School Lunch Program	10.555	
Cash Assistance		\$xx,xxx,xxx
Non-Cash Assistance (Commodities)		x,xxx,xxx
National School Lunch Program Subtotal		xx,xxx,xxx
Special Milk Program for Children - Cash Assistance	10.556	xx,xxx
Summer Food Service Program for Children	10.559	
Cash Assistance		x,xxx,xxx
Non-Cash Assistance (Commodities)		xxx,xxx
Summer Food Service Program Subtotal		x,xxx,xxx

<i>Total for Program (Cluster)</i>		\$xx,xxx,xxx
 <i>Cash Assistance Subtotal</i>		 \$xx,xxx,xxx
<i>Non-Cash Assistance (Food Distribution) Subtotal</i>		<i>\$x,xxx,xxx</i>

APPENDIX M



United States
Department of
Agriculture

Food and
Nutrition
Service

3101 Park
Center Drive
Alexandria, VA
22302-1500

DATE: October 24, 2011

MEMO CODE: SP 39-2011 - Revised

SUBJECT: Child Nutrition Reauthorization 2010: Guidance on Paid Lunch
Equity and Revenue from Nonprogram Foods

TO: Regional Directors
Special Nutrition Programs
All Regions

State Directors
Child Nutrition Programs
All States

This memorandum provides updated questions and answers to the Child Nutrition Reauthorization 2010 implementation memorandum SP 39-2011, Guidance on Paid Lunch Equity and Revenue from Nonprogram Foods.

The interim rule entitled, "National School Lunch Program: School Food Service Account Revenue Amendments Related to the Healthy, Hunger-Free Kids Act of 2010" implements sections 205 and 206 of the Healthy, Hunger-Free Kids Act (Public Law 111-296). These provisions established requirements for school food authorities (SFAs) for—

- Revenue from paid reimbursable lunches (7 CFR 210.14(e)); and
- Revenue from foods sold outside of reimbursable meals when those foods are purchased with school food service account funds (7 CFR 210.14 (f)).

The following items are provided with this memorandum:

- Questions and Answers based on inquiries from State agencies (SA) and SFAs.
- Step-by-step instructions on—
 - how to determine the SFA's average price for paid lunches;
 - the comparison of the average price and the difference between the free and paid reimbursement rates;
 - how to determine if price increases are needed; and
 - the amount of revenue from non-Federal sources that may be added to the food service account in lieu of a paid lunch price increase.
- An Excel-based tool with user instructions that SFAs may use to determine the amount of revenue from nonprogram foods required to be in compliance with Section 206.

APPENDIX M (Cont'd)

Regional Directors
State Directors
Page 2

If there are any questions on these requirements, SFAs should contact their SAs. SAs should contact the appropriate Food and Nutrition Service regional office.

Original Signed

Cynthia Long
Director
Child Nutrition Division

Attachments

APPENDIX M (Cont'd)

Paid Lunch Equity and Revenue from Nonprogram Foods **Questions and Answers**

* New questions are in RED

Paid Lunch Equity (PLE)

Compliance

Q1. If I have already set my paid lunch prices for School Year (SY) 2011-2012, do I still need to determine whether I am in compliance with this new requirement as set forth in the interim rule?

Yes, school food authorities (SFAs) are required to comply with this new provision for SY 2011-2012. However, because the interim rule was published after many SFAs had made pricing decisions for the current school year, SFAs have additional flexibility in meeting the requirements for SY 2011-2012, as described in Question 5.

If prices were already set for SY 2011-2012, the SFA should calculate the required adjustment and compare it to the current average prices. If the required adjustment is more than the amount set for SY 2011-2012, the SFA should plan to raise their paid lunch prices in 2012-2013 by this shortfall, plus the adjustment required by the calculation for SY 2012-2013. When a State agency (SA) conducts a CRE or another review, the SA should make sure to note if SFAs have not appropriately adjusted their paid lunch prices and indicate the need for appropriate adjustment in the coming year.

Q2. In order to be exempt from the PLE requirement, can an SFA submit Claims for Reimbursement only for the free and reduced price lunches it serves and not claim general cash assistance for paid lunches?

No. SFAs participating in the school meal programs must offer meals to all children and must claim all meals served at each reimbursement rate. SFAs must comply with the PLE requirement and are not permitted to submit claims only for free and reduced price lunches. Paid meals are part of the school meal programs and Federal reimbursements, as well as children's payments, are part of how SFAs cover costs of producing school meals.

Q3. What action will be taken against SFAs that do not comply?

The SA needs to ensure that all SFAs are aware of the requirement and have made a good faith effort to comply. If an SFA is making a good faith effort to comply with this provision, we expect the SA to provide any needed technical assistance. If necessary, the SA may require a corrective action plan from an SFA that, for example, failed to properly calculate their required average paid lunch price or which failed to add funds from non-Federal sources. Action for willful non-compliance will be taken on a case-by-case basis.

APPENDIX M (Cont'd)

Non-Federal Funding Sources

Q4. For purposes of PLE, what is considered a non-Federal source?

Financial support from non-Federal sources must be cash for direct support for paid lunches, including but not limited to:

- per-lunch reimbursements for paid lunches provided by States, counties, school districts and others;
- funds provided by organizations, such as school-related or community groups to support paid lunches;
- any portion of State revenue matching funds that exceeds the minimum requirement established in 7 CFR 210.17 and that is provided for paid lunches; or
- any proportion attributable to paid lunches from direct payments made from school district funds to support the lunch service; e.g., a pro-rata share of general funds used to support the lunch service.

Some examples of unallowable non-Federal support are:

- any payments, including additional per-meal reimbursements, provided to the SFA for support of the School Breakfast Program or other Child Nutrition Programs;
- any payments, including additional per-meal reimbursements, provided specifically to support free and reduced price meals; and
- any in-kind contributions converted to direct cash expenditures after July 1, 2011.

Q5. For SY 2011-2012, are there any exceptions to this definition of “non-Federal source”?

In recognition of the short timeframe for implementation, for SY 2011-2012 only, SFAs may include any non-Federal cash contribution, except for in-kind contributions and revenues from foods and beverages sold in competition with reimbursable meals.

We also recognize that the interim rule and this guidance were issued after many SFAs had already made pricing decisions for SY 2011-2012. Some of these SFAs may have done so because they were unsure whether their non-Federal revenue contributions would meet the requirements set out in the interim rule. Therefore, those SFAs that can demonstrate that they raised their prices and also met the non-Federal cash contribution required for SY 2011-2012, may count any non-Federal cash contribution, except for in-kind contributions and revenues from foods sold in competition with reimbursable meals, toward the PLE revenue requirements for SY 2012-2013.

Q6. In SY 2011-2012, can an SFA count the entire amount that exceeds the required percentage of the State revenue match as a non-Federal source?

Yes, in SY 2011-2012 SFAs may count the *entire* amount of excess of the required percentage of the State revenue match as a non-Federal source. In subsequent school years, SFAs may only count the amount exceeding the required percentage of the State revenue match that is provided specifically for paid lunches as a non-Federal source.

APPENDIX M (Cont'd)

Q7. If I am able to count non-Federal contributions from SY 2011-2012 towards the revenue requirements for SY 2012-2013, how do I make these adjustments?

FNS will issue guidance on how adjustments to the School Year 2012-2013 requirement will be determined in these situations.

Q8. Can an SFA count State or local per-lunch subsidies as non-Federal sources of revenue? If so, can the per-meal subsidy for all meals be counted or just for paid lunches? Can breakfast per-meal subsidies be counted?

State or local subsidies that directly support paid lunches may be counted as non-Federal sources of funding. Funds that support all meals served must be prorated by the share attributable to the paid lunches as described in the example below. This provision applies only to lunch and therefore subsidies for breakfast cannot be counted as non-Federal sources.

Example of prorating by the share of total lunches in the paid category:

Total state or local subsidies: \$1,000

Share of total lunches which are paid lunches: 20%

$\$1,000 \times 20\% = \200

Prorated portion of State or local subsidy attributable to paid lunches: \$200

Q9. What are examples of in-kind contributions converted to cash?

Examples include:

- charging for janitorial services that were previously provided without cost;
- charging a prorated share for teachers or office staff that serve as cafeteria monitors;
- charging for supplies, such as office equipment, that were previously provided at no cost; and
- charging a prorated share for utilities that were previously paid by the district.

Please keep in mind that any conversions like these had to be made prior to July 1, 2011, to count as a non-Federal source.

Q10. Can a school district pay a bill the school food service account had paid in the past, and count this as a non-Federal contribution?

Yes, but the school district must provide the non-Federal funds to the school food service account to allow the SFA to pay the bill.

Q11. Can a school district count charges that it assesses to the SFA (direct or indirect) that it does not actually collect from the SFA account due to insufficient funds?

No; to qualify as a non-Federal source, cash must actually be added to the account.

Q12. Must an SFA increase lunch prices if they currently have a large fund balance or if their current operation is consistently in the black?

All SFAs must calculate their average paid lunch prices and determine if any adjustments are required, regardless of any of the circumstances noted in the question.

Q13. If the school district has net cash resources which exceeds the 3 months average expenditures for its school food service account, can the SFA use some of their net cash

APPENDIX M (Cont'd)

resources rather than general funds to make up the difference if they do not want to increase the paid meal price for SY 2011-2012?

No, the excess funds are still considered part of the non-profit school food service account. Further, 7 CFR 210.19(a)(2) allows SAs to require SFAs to use net cash resources which exceed the 3 months average to improve food quality or take other action designed to improve the school food service.

Q14. Per 7 CFR 210.19(a)(2), can an SFA still lower prices if its net cash resources exceed the 3 months average expenditures for its school food service account?

SFAs must first determine compliance with the PLE requirements. If an SFA is not exceeding the PLE requirement with its current prices, it would not be allowed to lower prices. SFAs would only be able to lower prices if they are in compliance and would remain in compliance with the PLE requirement after the price is lowered. Federal regulations will be updated accordingly.

Q15. If using local funds to offset the price increase, would those funds have to be kept in a separate account?

No, the amount provided would need to be documented and added to the non-profit food service account.

Q16. Can an SFA split the revenue increase between non-Federal sources and an increase in paid lunch prices?

Yes. Some of the required revenue can come from an increase in paid lunch prices and the rest from non-Federal contributions to the nonprofit school food service account.

Q17. When must the non-Federal funds be added to the school food service account?

When SFAs choose to raise paid lunch prices, revenue is available throughout the school year. Because the revenue is needed over the entire school year to support paid lunches, we recommend the non-Federal funds be added at the beginning of the school year, on a monthly or quarterly basis or otherwise made available during the current school year.

Q18. Are non-pricing schools exempt from this requirement as they do not charge students for meals? How will the SA include these types of schools in the Department of Agriculture report?

Yes, non-pricing schools are exempt from this requirement because they do not charge for meals. SFAs and SAs should report non-pricing schools as "\$0" in their pricing reports.

Q19. We have some Provision 2 schools in our district. How are they handled for the calculation?

Only those prices and paid meals claimed in non-Provision 2 or 3 schools should be included in the average price calculation. This would also apply to any SFAs with schools that participate in the Community Eligibility Option.

APPENDIX M (Cont'd)

General

Q20. Is there a minimum average price that would require a paid lunch price increase?

All SFAs should calculate their average paid lunch prices and the amount of price increase required. There is no uniform threshold for price increases and there are some instances where a SFA with an average price below \$1.60 will be required to increase their average paid lunch price.

Furthermore, SFAs that are not required to raise their price in SY 2011-2012 due to the rounding process, should keep in mind that they are required to use their unrounded average paid lunch prices from SY 2011-2012 in their calculations for SY 2012-2013.

Q21. Does an SFA have to raise prices for all paid lunches?

No, SFAs may vary paid lunch prices by school (for example, charging lower prices in schools located in lower-income areas or charging different prices in elementary and secondary schools), as long as the average revenue requirement is met across the SFA. FNS' paid lunch calculator (found on our website) can assist SFAs in determining how to raise their paid lunch prices.

Q22. Can an SFA increase its average paid lunch prices more than 10 cents annually?

Yes, an SFA may increase its average paid lunch prices by more than 10 cents per year but is never required to do so. The 10 cent limit is the maximum that an SFA would ever be required to contribute in a given year, even if the SFA's annual PLE calculation showed a higher amount. If an SFA chooses in any school year to increase paid lunch prices more than is required, the amount attributable to the SFA's discretionary additional increase may be carried forward to the next school year(s) to meet the paid lunch equity requirements. SFAs must keep sufficient records to document and carry forward the average price calculations. FNS will issue guidance on how to calculate these credits.

Q23. If the SFA has schools with lunch prices over \$2.46, does it have to include these schools in the average price calculation?

Yes, all paid lunch prices charged within the SFA must be included in the calculation of the average lunch price.

Q24. Are SFAs going to be required to raise paid lunch prices every year?

Not necessarily. SFAs must check if they meet the requirement each year. Depending on the rate of inflation or other factors, an SFA may be in compliance one year but not in compliance the next.

Q25. Regardless of what the PLE Tool yields in terms of a price, can a SFA choose to raise its average price to \$2.46?

Yes, the PLE Tool yields the minimum amount the SFA must raise its average paid lunch price to meet the requirement. However, SFAs may raise their paid lunch prices above the minimum required. Some SFAs have chosen to raise their meal prices by more than the minimum amount required. We encourage SFAs to carefully evaluate and consider the impact of discretionary price increases that are above the minimum requirements.

APPENDIX M (Cont'd)

The SFA must still check that it is in compliance each year as the \$2.46 figure will change when Federal reimbursements change.

Q26. Can SFAs with net cash resources that exceed 3 months average expenditures reduce their excess by lowering what they charge for Reduced Price Lunches and/or Breakfast?

We encourage SFAs to use such excess funds to improve the quality and nutritional content of meals and to meet the requirements of the new meal pattern. As part of their assessment of any changes needed to support high quality meals, SFAs should consider whether fund balances might best be used to improve or enhance menu offerings, upgrade equipment or otherwise improve program capacity to serve improved meals. In any case, SFAs should consider reducing the price of reduced price lunches or paid and reduced price breakfast only if they have fully met the requirements of the new meal pattern.

Q27. Are schools that are new to the program required to price their paid lunches at a certain level?

For a new school that is part of an existing SFA that has not yet met the average paid lunch requirement, the school would have to price their lunches at the same level or higher than other schools within the SFA (for example, if it were a new elementary school, they would have to set the paid lunch price at the same rates or higher than the rates at already existing elementary schools).

For new SFAs, the school would have to price their paid lunches equal to or more than the difference between the reimbursement rates for free and paid lunches at the time they enter the program – or \$2.46 for school year 2011-2012.

Q28. Do you have any information on the intended release date of the required State Agency form used for reporting annual averages for paid lunch prices?

This form must go through the Office of Management and Budget for the approval process and we anticipate that it will be available in fall 2011.

Revenue from Nonprogram Foods

Q1. What is the purpose of the revenue from nonprogram foods provisions?

To ensure that revenues from the sales of nonprogram foods generate at least the same proportion of SFA revenues as they contribute to SFA food costs.

Q2. What is considered a nonprogram food?

For the purposes of this provision a nonprogram food is a food (including beverages) that is sold in a participating school other than a reimbursable meal and is purchased using funds from the school food service account of the school.

These include but are not limited to:

- A la carte items sold in competition with school meals;
- Adult meals;
- Items purchased for fund raisers, vending machines, school stores, etc.; and
- Items purchased for catering and vended meals.

APPENDIX M (Cont'd)

Q3. What is considered revenue?

Revenue is all money that is provided to the nonprofit school food service account. This includes but is not limited to:

- Federal reimbursement;
- State or local funds, such as per meal subsidies and State revenue matching funds;
- Children's payments for reimbursable meals and a la carte sales;
- Payments for items purchased for fund raisers, vending machines, etc; and
- Income from catering, adult meals, vended meals, etc.

Q4. How does a SFA determine the "cost to obtain" a nonprogram food?

The cost to obtain a nonprogram food includes only the cost of the food. If a nonprogram food is made from scratch, the SFA would determine the price of ingredients to calculate the food cost. The SFA should not include labor or other costs in this calculation.

This same principle applies to calculating program food costs for the purpose of this provision.

Q5. How does a SFA determine whether it is in compliance with the Revenue from Nonprogram Foods Sold in Schools provision?

The SFA would determine its total food cost and the proportion of that total that is nonprogram food. The SFA would then calculate the share of total revenue generated from nonprogram food sales over the same period. If the second figure is at least as great as the first figure, then the SFA is generating sufficient revenue from nonprogram food sales.

The following example shows how this provision is applied:

An SFA has the following characteristics:

- Total Costs: \$1,000,000
- Total Food Costs: \$500,000
 - o Cost of food for reimbursable meals: \$450,000
 - o Cost of nonprogram food: \$50,000
- Total Revenue: \$1,000,000

Revenue Requirement:

- Minimum proportion of revenue required from the sale of nonprogram foods:
 $\$50,000/\$500,000 = 10\%$
- Minimum dollar revenue required from the sale of nonprogram foods:
 $10\% \times \$1,000,000 = \$100,000$

If this SFA earns \$100,000 in revenue from nonprogram food sales, they are in compliance.

APPENDIX M (Cont'd)

Q6. Can an SFA price some nonprogram foods lower than their actual cost?

Yes, as long as the total revenue generated from all nonprogram food sales meets the proportional requirement described above

Q7. What period of time should be included in the calculations?

The SFA uses the revenue and costs for a school year to calculate revenue targets. For SY 2011-2012, the revenue and costs for SY 2010-2011 are used. In cases where the prior year is not reflective of the typical school year (e.g., a school opens in the middle of the school year or is closed for a portion of the year due to a disaster), the SFA could use their Fiscal Year, a representative month multiplied by the number of months in the school year or another method as approved by the State agency.

Q8. How are SFAs to implement this requirement for SY 2011-2012?

All SFAs must do the revenue calculations. If the proportion of revenue is equal to or greater than the proportion of the food costs, no additional action is needed. If not, the SFA must review the prices charged for nonprogram foods and make necessary adjustments. If there are extenuating circumstances which prevent immediate corrective action, such as an inability to obtain necessary School Board approvals, these factors should be discussed with the SA and an appropriate corrective action plan must be developed.

Q9. How are SFAs to track nonprogram food sales and revenues?

SFAs that do not already have systems in place to track nonprogram food sales and revenues should work with their SAs to develop plans to improve their recordkeeping systems. FNS will also provide further guidance in this area.

Q10. What are some resources for SFAs as they work to implement section 206 and determine how to price nonprogram foods?

SFAs may want to consult guidance from the National Food Service Management Institute (NFSMI). While NFSMI does not currently have guidance specific to section 206, they do have guidance on nonprogram food pricing and school food service account management. SFAs may find this information helpful as they price their nonprogram food.

NFSMI Financial Management Information:

<http://www.nfsmi.org/documentlibraryfiles/PDF/20080225031916.pdf>

Please note however that SFAs should ensure that they are in compliance with the requirements of section 206 when using any outside resource. FNS plans to issue more guidance for SFAs on this issue.

APPENDIX M (Cont'd)

Step-by-Step Instructions for Paid Lunch Equity Calculations

Determining Average Paid Lunch Price

Step 1: Determine the number of different prices charged for paid reimbursable lunches in the SFA (do not include adult prices or prices charged for second lunches) (Column A in example below)

Step 2: Determine the number of paid lunches claimed at each price for October of the prior school year (use October 2010 for SY 2011-2012) and the total number of paid lunches (Column B)

Step 3: Determine the revenue generated by each paid lunch price by multiplying each paid lunch price by the number of paid lunches claimed and the total revenue from paid lunches (Column C)

Step 4: Determine the average price of paid lunches by dividing the total revenue generated by paid lunches at each price by the number of lunches claimed and round the result to the nearest whole cent (0-4 round down or 5-9 round up) (Column D)

A Each Price Charged for Paid Reimbursable Lunches	B Number of Paid Lunches Claimed at each price and total number of paid lunches claimed	C Revenue Generated by Each Paid Lunch Price (Column A x Column B) and total revenue for paid lunches	D Determine Average Price
\$1.25	1,000	\$1,250	
\$1.50	2,000	\$3,000	
\$2.00	1,500	\$3,000	
\$2.25	3,000	\$6,750	
	Total paid lunches 7,500	Total Revenue \$14,000	\$14,000/7,500 =1.8666 rounded to \$1.87

Determining if New Price/Additional Revenue is Required

Step 1: Determine if the average paid lunch price is equal to or greater than, or less than the difference between the applicable paid and free lunch reimbursements (reimbursement difference).

- If result is equal to or greater than the reimbursement difference, the SFA is not required to increase the average lunch price or to add additional revenue as long as the price is not less than the reimbursement difference.
- If result is less than the reimbursement difference, the SFA is required to determine the required average paid lunch price (Step 2).
- If result is less than the reimbursement difference, the SFA is required to adjust the average paid lunch price and determine if a price increase is needed (Step 2). In lieu of

APPENDIX M (Cont'd)

- increasing the average paid lunch price the SFA may add non-Federal sources of funds to the food service account (Step 3).

Step 2: To determine the new average paid lunch price:

- Multiply the average lunch price by the sum of the inflation factor used to determine the prior year's reimbursement rate plus 2 percent. For SY 2011-2012, use the inflation factor for SY 2010-2011 which was 1.14%;
- Round the result to the nearest cent (0-4 round down or 5-9 round up); and
- (Optional) Further round down to the nearest 5 cent increment.

If the SFA chooses to raise paid lunch prices, it has flexibility to determine how to raise prices—by school, by price, or all prices. However, the maximum required increase to the average paid lunch price is 10 cents. SFAs may increase the average paid lunch price more than 10 cents if they wish and will receive a credit in subsequent school years for the amount increased over the requirement. Note that individual prices may always be increased more than 10 cents in order to meet the average paid lunch price requirement.

Optional Step 3: To determine the amount of required revenue in lieu of a paid lunch price increase, the SFA determines the total number of paid reimbursable lunches claimed for the previous school year (for SY 2011-2012, use SY 2010-2011 total). That total is multiplied by the difference between the new average paid lunch price and the current average paid lunch price.

An example when average price is less than the reimbursement difference:

Step 1: Using \$1.87 as the average paid lunch price, and \$2.46 as the difference between the free and paid lunch reimbursement rates (SY 2010-2011 free rate of \$2.72 minus the paid rate of \$.26). Since \$1.87 is less than \$2.46, the SFA must complete Step 2.

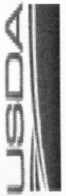
Step 2: Multiply the average paid lunch price times the inflation factor plus two percent ($\$1.87 \times .0314 = \0.0587). That result is added to the average paid lunch price and rounded ($\$1.87 + .0587 = \1.9287 , rounded to \$1.93); the new average price is \$1.93. If the SFA chooses to round down to the nearest five cents, the new average paid lunch price is \$1.90. The SFA would then raise actual prices so that the new average paid lunch equals or exceeds \$1.90.

Optional Step 3: Using \$.03 ($\$1.90 - \$1.87 = \$.03$) as the difference between the new and current average paid lunch prices, the SFA would determine the needed non-Federal revenue by multiplying the total number of paid lunches claimed for SY 2010-2011 ($\$.03 \times 150,000$ paid lunches = \$4,500). The SFA would need to add \$4,500 in SY 2011-2012 to the food service account from non-Federal sources of revenue in lieu of raising paid lunch prices.

AN EQUAL OPPORTUNITY EMPLOYER

 <p>Nonprogram Food Revenue Tool Instructions The Nonprogram Food Revenue Tool was created to help SFAs calculate the amount of revenue required to meet the new requirements in Section 206 of the Healthy, Hunger-Free Kids Act of 2010.</p> <p>To use the tool, an SFA must collect the cost of both program and nonprogram food and the total revenue for the previous school year.</p> <p>To calculate the amount of revenue from nonprogram food required to meet this requirement, an SFA must:</p> <ol style="list-style-type: none"> 1. Enter the cost of food for reimbursable meals in the previous school year in the Cost for Reimbursable Meal Food row. 2. Enter the cost of nonprogram food from the previous school year in the Cost of Nonprogram Food row. 3. Enter the revenue from nonprogram foods from the previous school year in the Total Nonprogram Food Revenue row. 4. Enter the total revenue from the previous school year in the Total Revenue row. <p>Based on these amounts, the tool will calculate the minimum amount of revenue from nonprogram foods that is required to meet this requirement. The tool will also calculate the additional revenue, if any, needed to comply.</p> <p>These figures will appear in the Minimum Revenue Required from the Sale of Nonprogram Foods and the Additional Revenue Needed to Comply rows.</p> <p>SFAs can now compare their nonprogram food revenue to this required amount to determine if they are in compliance with this requirement.</p>
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APPENDIX M (Cont'd)



USDA

**FOOD AND
NUTRITION SERVICE**

Nonprogram Revenue Calculator			
Enter the cost for reimbursable meal, cost of nonprogram food and total revenue			
<u>Cost for Reimbursable Meal Food</u>			
<u>Cost of Nonprogram Food</u>			
<u>Total Food Costs</u>	\$	-	
<u>Total Nonprogram Food Revenue</u>			
<u>Total Revenue</u>			
Minimum portion of revenue from nonprogram funds		0%	
Minimum Revenue Required from the Sale of Nonprogram Foods	\$	-	
Additional Revenue Needed to Comply	\$	-	

* Click on the hyperlink to view a definition of the term.

APPENDIX M (Cont'd)

Cost of Reimbursable Meal Food refers to the amount paid for food purchased to be a part of a reimbursable meal.

Cost of Nonprogram Food refers to the amount paid for food sold in a participating school other than a reimbursable meal and is purchased using funds from the school food service account of the school. This is a broad definition and includes beverages, a la carte foods, and any extra reimbursable foods that are sold such as an extra slice of pizza or carton of milk

Total Food Cost refers to the total amount paid for food for both reimbursable meals and nonprogram food purchased with the school food service account.

Total Nonprogram Food Revenue refers to all funds accumulated to the school food service account associated with the sale of nonprogram foods.

Total Revenue refers to all funds accumulated to the school food service account.

APPENDIX N



**STATE OF SOUTH CAROLINA
DEPARTMENT OF EDUCATION**

MOLLY M. SPEARMAN
STATE SUPERINTENDENT OF EDUCATION

MEMORANDUM

TO: District Superintendents

FROM: Valerie Byrd
Senior Information Consultant

DATE: April 23, 2019

RE: South Carolina School District Technology Plans

A pending proviso would require that the South Carolina Department of Education (SCDE) develop a new statewide technology plan by February 1, 2020. The SCDE is therefore extending existing approvals of district technology plans for the period of July 1, 2018–June 30, 2020, and will institute an updated process under the newly developed plan for the 2020–2021 school year. We do recommend that you continue to review your plans for needed security improvements, equipment refresh cycles, and infrastructure necessary to comply with mandated online testing.

cc: District Technology Leaders
District Instructional Technology Leaders
District PowerSchool Coordinators
District Security/Privacy Officers

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It should be noted that when one is using third-party guides, this guide, or other audit guides, the information may not be complete or updated to reflect the latest changes in the authoritative literature.