

Q and A From Financial Management Webinar

1. What is paid lunch (or meal) equity?

This is a calculation which you are required to perform in order to ensure the financial solvency of your program. Districts must compare the average price for a paid meal to the difference between the Federal reimbursement provided for free meals and the Federal reimbursement provided for full price meals. If the average paid meal price is *less than* the difference, a school district must increase average prices or provide non-Federal funding to cover the difference. Either way (increasing prices or injecting non-Federal funding) the difference must be taken into account and provided for. This price difference is calculated via the USDA, Paid Lunch Tool available on PEARS Download Forms under the SNP – Equity in School meals Pricing section.

2. How do you calculate paid lunch equity?

PDE has provided a calculation tool on PEARS Download Forms. This must be completed each year. The information for school year 2016/2017 should be up in late 2015. If you experience trouble with you calculations you can contact PDE directly. Resist the urge to use any tools on the USDA web site because they have not been scrutinized by PDE and may be subject to change.

3. What is the 272?

“The 272” refers to \$2.72. It is the difference between the amount of the paid lunch reimbursement and the free lunch reimbursement.

4. If a middle/high school is at \$2.75 and an elementary school is at \$2.50 must the elementary school also be brought up to the \$2.72?

It depends. The 272 required is a weighted average of all schools which must be arrived at via the calculation tool provided in PEARS.

5. If a school provides free lunches to all students (universal free lunch) must it also calculate paid lunch equity?

Yes. The only time paid lunch equity does not have to be calculated is if a school is serving meals under CEP.

6. What is CEP?

CEP stands for Community Eligibility Provision. This is a provision under the Healthy Hunger Free Kids Act of 2010 which allows schools and local educational agencies with high poverty rates to provide free meals to all students.

7. When can a school begin the application process for CEP?

Information on this will be coming out early in the new year. If considering CEP food service directors should be running direct certification monthly in order to obtain the highest percentage of qualified students as possible.

8. If a school is part of CEP must it calculate paid lunch equity?

No, schools participating in CEP *do not* have to calculate paid meal equity.

9. If a school district has two schools participating in CEP and 18 schools that do not do they only need to calculate paid lunch equity for the 18 schools that do not participate?

Yes that is correct.

10. What is the requirement for separate funds/bank balances for schools not in the NSLP?

There is no requirement for separate bank accounts. If that makes it easier for you to keep them separate for accounting purposes you might want to have different bank accounts but the important thing is that the *data* from one group (that participating in the NSLP) isn't *commingled* with that of the other group. The two groups (NSLP participants and non-participants) must not share data for accounting purposes. *They should be considered separate businesses.*

11. What happens if business managers post items to accounting software in an untimely manner?

Ultimately, the responsibility rests with you. Therefore, it is incumbent upon the food service director to communicate to the business manager *when* and *why* posting is required. It may be beneficial, or necessary, to train and authorize someone within the food service department to post this information.

12. Where can one find information on how to separate and report the financial data for schools who do not participate in the National School Nutrition program?

There is no site dedicated to this specific issue. The important point is that if one or more schools in a district is not participating in the National School Nutrition Program then their financial reports *must be separated from* the other schools.

13. Can the revenue from small sales (e.g. a case of water) be included in ala carte sales or is an extra function fund required?

Yes, it can be included in ala carte sales.

14. Where in PEARS can one find the financial report which is due on December 31?

The SNP Financial Report can be found on PEARS, under the Application tab, Financial Report section. Instructions for completing the SNP Financial Report can be found on PEARS, Download Forms, PDE-SNP-064.