

FOOD SERVICE OPERATIONS/CAFETERIA FUND

The Governing Board intends that school food services shall be a self-supporting, nonprofit program. To ensure program quality and increase cost effectiveness, the Superintendent or designee shall centralize and direct the purchasing of foods and supplies, the planning of menus, and the auditing of all food service accounts for the district.

The Superintendent or designee shall ensure that all food service personnel possess the required qualifications and receive ongoing professional development related to the effective management and implementation of the district's food service program in accordance with law.

At least once each year, food service administrators, other appropriate personnel who conduct or oversee administrative procedures, and other food service personnel shall receive training provided by the California Department of Education (CDE). (42 USC 1776)

Meal Sales

Meals may be sold to students, district employees, Board members, and employees or members of the fund or association maintaining the cafeteria. (Education Code 38082)

In addition, meals may be sold to nonstudents, including parents/guardians, volunteers, students' siblings, or other individuals, who are on campus for a legitimate purpose. Any meals served to nonstudents shall not be subsidized by federal or state reimbursements, food service revenues, or U.S. Department of Agriculture (USDA) foods.

Meal prices, as recommended by the Superintendent or designee and approved by the Board, shall be based on the costs of providing food services and consistent with Education Code 38084 and 42 USC 1760.

The Superintendent or designee shall establish strategies and procedures for the collection of meal payments, including delinquent meal payments. Such procedures shall conform with 2 CFR 200.426 and any applicable CDE guidance. The Superintendent or designee shall clearly communicate these procedures to students and parents/guardians, and shall make this policy and the accompanying administrative regulation available to the public.

The Superintendent or designee shall ensure that a student whose parent/guardian has unpaid school meal fees is not overtly identified, shamed, treated differently, or served a meal that differs from the meal served to other students. (Education Code 49557.5)

Students who are enrolled in the free or reduced-price meal program shall receive meals free of charge or at a reduced price in accordance with law, Board policy, and administrative regulation. Such students shall not be overtly identified or treated differently from other students.

FOOD SERVICE OPERATIONS/CAFETERIA FUND (continued)

Cafeteria Fund

The Superintendent or designee shall establish a cafeteria fund independent of the district's general fund.

The wages, salaries, and benefits of food service employees shall be paid from the district's general fund. At any time, the Board may order reimbursement from the district's cafeteria fund for these payments in amounts prescribed by the Board and not exceeding the costs actually incurred. (Education Code 38103)

The Superintendent or designee shall ensure that state and federal funds provided through school meal programs are allocated only for purposes related to the operation or improvement of food services and reasonable and necessary indirect program costs as allowed by law.

Contracts with Outside Services

With Board approval, the district may enter into a contract for food service consulting services or management services in one or more district schools. (Education Code 45103.5; 42 USC 1758; 7 CFR 210.16)

Procurement of Foods, Equipment and Supplies

To the maximum extent practicable, foods purchased for use in school meals by the district or by any entity purchasing food on its behalf shall be domestic commodities or products. *Domestic commodity or product* means an agricultural commodity that is produced in the United States and a food product that is processed in the United States substantially using agricultural commodities that are produced in the United States. (42 USC 1760; 7 CFR 210.21)

A nondomestic food product may be purchased for use in the district's food service program only as a last resort when the product is not produced or manufactured in the United States in sufficient and reasonable quantities of a satisfactory quality, or when competitive bids reveal the costs of a United States product are significantly higher than the nondomestic product. In such cases, the Superintendent or designee shall retain documentation justifying the use of the exception.

Furthermore, the district shall accept a bid or price for an agricultural product grown in California before accepting a bid or price for an agricultural product grown outside the state, if the quality of the California-grown product is comparable and the bid or price does not exceed the lowest bid or price of a product produced outside the state. (Food and Agriculture Code 58595)

FOOD SERVICE OPERATIONS/CAFETERIA FUND (continued)

Bid solicitations and awards for purchases of equipment, materials, or supplies in support of the district's child nutrition program, or for contracts awarded pursuant to Public Contract Code 2000, shall be consistent with the federal procurement standards in 2 CFR 200.318-200.326. Awards shall be let to the most responsive and responsible party. Price shall be the primary consideration, but not the only determining factor, in making such an award. (Public Contract Code 20111)

Program Monitoring and Evaluation

The Superintendent or designee shall present to the Board, at least annually, financial reports regarding revenues and expenditures related to the food service program.

The Superintendent or designee shall provide all necessary documentation required for the Administrative Review conducted by the CDE to ensure compliance of the district's food service program with federal requirements related to maintenance of the nonprofit school food service account, meal charges, paid lunch equity, revenue from nonprogram goods, indirect costs, and USDA foods.

Legal Reference: (see next page)

*Legal Reference:*EDUCATION CODE

38080-38086 Cafeteria, establishment and use

38090-38095 Cafeterias, funds and accounts

38100-38103 Cafeterias, allocation of charges

42646 Alternate payroll procedure

45103.5 Contracts for management consulting services; restrictions

49490-49493 School breakfast and lunch programs

49500-49505 School meals

49554 Contract for services

49550-49564.5 Meals for needy students

49580-49581 Food recovery program

FOOD AND AGRICULTURE CODE

58595 Preference for California-grown agricultural products

HEALTH AND SAFETY CODE

113700-114437 California Retail Food Code

PUBLIC CONTRACT CODE

2000-2002 Responsive bidders

20111 Contracts

CODE OF REGULATIONS, TITLE 5

15550-15565 School lunch and breakfast programs

UNITED STATES CODE, TITLE 42

1751-1769j School lunch programs

1771-1791 Child nutrition, including:

1773 School breakfast program

CODE OF FEDERAL REGULATIONS, TITLE 2

200.56 Indirect costs, definition

FOOD SERVICE OPERATIONS/CAFETERIA FUND (continued)

200.318-200.326 *Procurement standards*
200.400-200.475 *Cost principles*
200 *Appendix VII Indirect cost proposals*
CODE OF FEDERAL REGULATIONS, TITLE 7
210.1-210.31 *National School Lunch Program*
220.1-220.21 *National School Breakfast Program*
250.1-250.70 *USDA foods*

Management Resources:

CALIFORNIA DEPARTMENT OF EDUCATION PUBLICATIONS

California School Accounting Manual

Food Distribution Program Administrative Manual

Storage and Inventory Management of U.S. Department of Agriculture Foods, NSD Management Bulletin, FDP-01-2018, January 2018

Unpaid Meal Charges: Local Meal Charge Policies, Clarification on Collection of Delinquent Meal Payments, and Excess Student Account Balances, NSD Management Bulletin, SNP-03-2017, April 2017

Clarification for the Use of Alternate Meals in the National School Lunch and School Breakfast Programs, Bad Debt Policies, and the Handling of Unpaid Meal Charges, NSD Management Bulletin, USDA-SNP-06-2015, May 2015

Cafeteria Funds--Allowable Uses, NSD Management Bulletin, NSD-SNP-07-2013, May 2013

Paid Lunch Equity Requirement, NSD Management Bulletin, USDA-SNP-16-2012, October 2012

Adult and Sibling Meals in the National School Lunch and School Breakfast Programs, NSD Management Bulletin 00-111, July 2000

U.S. DEPARTMENT OF AGRICULTURE PUBLICATIONS

FAQs About School Meals

Unpaid Meal Charges: Guidance and Q&A, SP 23-2017, March 2017

Indirect Costs: Guidance for State Agencies and School Food Authorities SP 60-2016, September 2016

Overcoming the Unpaid Meal Challenge: Proven Strategies from Our Nation's Schools, September 2016

Unpaid Meal Charges: Local Meal Charge Policies, SP 46-2016, July 2016

Compliance with and Enforcement of the Buy American Provision in the National School Lunch Program, SP 24-2016, February 2016

Discretionary Elimination of Reduced Price Charges in the School Meal Programs, SP 17-2014, January 2014

WEB SITES

California Department of Education, Nutrition Services Division: <http://www.cde.ca.gov/ls/nu>

California School Nutrition Association: <http://www.calsna.org>

U.S. Department of Agriculture, Food and Nutrition Service: <http://www.fns.usda.gov/cnd>

FOOD SERVICE OPERATIONS/CAFETERIA FUND**Payments for Meals**

With the exception of students who are eligible to receive meals at no cost, students may pay on a per-meal basis or may submit payments in advance. The Superintendent or designee shall maintain a system for accurately recording payments received and tracking meals provided to each student.

At the beginning of the school year, and whenever a student enrolls during the school year, parents/guardians shall be notified of the district's meal payment policies and be encouraged to prepay for meals whenever possible. The Superintendent or designee shall communicate the district's meal payment policies through multiple methods, including, but not limited to:

1. Explaining the meal charge policy within registration materials provided to parents/guardians at the start of the school year
2. Including the policy in print versions of student handbooks, if provided to parents/guardians annually
3. Providing the policy whenever parents/guardians are notified regarding the application process for free and reduced-price meals, such as in the distribution of applications at the start of the school year
4. Posting the policy on the district's web site
5. Establishing a system to notify parents/guardians when a student's meal payment account has a low or negative balance

In any school that uses a system of meal tickets or other similar medium of exchange rather than an electronic point-of-sale system, the Superintendent or designee shall develop a process for providing replacement tickets to any student who reports his/her tickets as lost or stolen. However, whenever any student reports an excessive number of lost or stolen tickets, the Superintendent or designee shall notify the parent/guardian and may provide an alternative method of tracking meal usage for that student.

In order to avoid potential misuse of a student's food service account by someone other than the student in whose name the account has been established, the Superintendent or designee shall verify a student's identity when setting up the account and when charging any meal to the account. The Superintendent or designee shall investigate any claim that a bill does not belong to a student or is inaccurate, shall not require a student to pay a bill that appears to be the result of identity theft, and shall open a new account with a new account number for a student who appears to be the subject of identity theft.

FOOD SERVICE OPERATIONS/CAFETERIA FUND (continued)

Any payments made to a student's food service account shall, if not used within the school year, be carried over into the next school year or be refunded to the student's parents/guardians.

Unpaid and Delinquent Meal Charges

No later than 10 days after a student's school meal account has reached a negative balance, the Superintendent or designee shall so notify the student's parent/guardian. Before sending this notification, the district shall exhaust all options and methods to directly certify the student for free or reduced-price meals. If the district is not able to directly certify the student, the notice to the parent/guardian shall include a paper copy of, or an electronic link to, an application for free or reduced-price meals and the Superintendent or designee shall contact the parent/guardian to encourage submission of the application. (Education Code 49557.5)

The district may attempt to collect unpaid school meal fees from a parent/guardian, but shall not use a debt collector. (Education Code 49557.5)

The Superintendent or designee may enter into an agreement with a student's parent/guardian for payment of the student's unpaid meal charge balance over a period of time. As necessary, the repayment plan may allow the unrecovered or delinquent debt to carry over into the next fiscal year.

The district shall not direct any action toward a student to collect unpaid school meal fees. (Education Code 49557.5)

The district's efforts to collect debt shall be consistent with district policies and procedures, California Department of Education (CDE) guidance, and 2 CFR 200.426. The district shall not spend more than the actual debt owed in efforts to recover unpaid meal charges.

The Superintendent or designee shall maintain records of the efforts made to collect unpaid meal charges and, if applicable, financial documentation showing when the unpaid meal balance has become an operating loss.

The Superintendent or designee shall maintain records of the number of meals served each day by school site and by category of free, reduced-price, and full-price meals. The Superintendent or designee shall submit reimbursement claims for school meals to CDE using the online Child Nutrition Information and Payment System.

Donation of Leftover Food

To minimize waste and reduce food insecurity, the district may provide sharing tables where students and staff may return appropriate unused cafeteria food items to be made available to students during the course of a regular school meal time. If food on the sharing tables is not

FOOD SERVICE OPERATIONS/CAFETERIA FUND (continued)

Reimbursement Claims

taken by a student, the school cafeteria may donate the food to a food bank or any other nonprofit charitable organization. (Health and Safety Code 114079)

Food that may be donated includes prepackaged, nonpotentially hazardous food with the packaging still intact and in good condition, whole uncut produce, unopened bags of sliced fruit, unopened containers of milk that are immediately stored in a cooling bin maintained at 41 degrees Fahrenheit or below, and perishable prepackaged food if it is placed in a proper temperature-controlled environment. The preparation, safety, and donation of food shall be consistent with Health and Safety Code 113980. (Health and Safety Code 114079)

Cafeteria Fund

All proceeds from food sales and other services offered by the cafeteria shall be deposited in the cafeteria fund as provided by law. The income and expenditures of any cafeteria revolving account established by the Governing Board shall be recorded as income and expenditures of the cafeteria fund. (Education Code 38090, 38091)

The cafeteria fund shall be used only for those expenditures authorized by the Board as necessary for the operation of school cafeterias in accordance with Education Code 38100-38103, 2 CFR Part 200 Appendix VII, and the California School Accounting Manual.

Any charges to, or transfers from, a food service program shall be dated and accompanied by a written explanation of the expenditure's purpose and basis. (Education Code 38101)

Indirect costs charged to the food service program shall be based on either the district's prior year indirect cost rate or the statewide average approved indirect cost rate for the second prior fiscal year, whichever is less. (Education Code 38101)

Net cash resources in the nonprofit school food service shall not exceed three months average expenditures. (2 CFR 220.14)

U.S. Department of Agriculture Foods

The Superintendent or designee shall ensure that foods received through the U.S. Department of Agriculture (USDA) are handled, stored, and distributed in facilities which: (7 CFR 250.14)

1. Are sanitary and free from rodent, bird, insect, and other animal infestation
2. Safeguard foods against theft, spoilage, and other loss

FOOD SERVICE OPERATIONS/CAFETERIA FUND (continued)

3. Maintain foods at proper storage temperatures
4. Store foods off the floor in a manner to allow for adequate ventilation
5. Take other protective measures as may be necessary

The Superintendent or designee shall maintain inventories of USDA foods in accordance with 7 CFR 250.59 and CDE procedures, and shall ensure that foods are used before their expiration dates.

USDA donated foods shall be used in school lunches as far as practicable. USDA foods also may be used in other nonprofit food service activities, including, but not limited to, school breakfasts or other meals, a la carte foods sold to students, meals served to adults directly involved in the operation and administration of the food service and to other school staff, and training in nutrition, health, food service, or general home economics instruction for students, provided that any revenues from such activities accrue to the district's nonprofit food service account. (7 CFR 250.59)

Contracts with Outside Services

The term of any contract for food service management or consulting services shall not exceed one year. Any renewal of the contract or further requests for proposals to provide such services shall be considered on a year-to-year basis. (Education Code 45103.5; 7 CFR 210.16)

Any contract for management of the food service operation shall be approved by CDE and comply with the conditions in Education Code 49554 and 7 CFR 210.16 as applicable. The district shall retain control of the quality, extent, and general nature of its food services, including prices to be charged to students for meals, and shall monitor the food service operation through periodic on-site visits. The district shall not enter into a contract with a food service company to provide a la carte food services only, unless the company agrees to offer free, reduced-price, and full-price reimbursable meals to all eligible students. (Education Code 49554; 42 USC 1758; 7 CFR 210.16)

Any contract for consulting services shall not result in the supervision of food service classified staff by the management consultant, nor shall it result in the elimination of any food service classified staff or position or have any adverse effect on the wages, benefits, or other terms and conditions of employment of classified food service staff or positions. All persons providing consulting services shall be subject to applicable employment conditions related to health and safety as listed in Education Code 45103.5. (Education Code 45103.5)