

ALLOWABLE EXPENDITURES

- Food purchases and costs directly related to the storage, handling, processing and transportation of food
- Labor costs directly related to operating the Child Nutrition Programs including wages, employer's share of retirement, Social Security insurance payments, bonuses and fringe benefits
- Other supplies and expendable equipment used directly in the operation of the school food service including items that must be replaced from time to time such as pots and pans, serving trays, dishes, glassware, silverware, linen, mops, brooms, cleaning supplies, etc.
- Nonexpendable items used directly in preparing, storing, or serving school meals including ranges, refrigerators, freezers, steam tables, mixers, storage cabinets, tables, chairs, hot water heaters, portable fans and other equipment. This category may also include charges of installing, maintaining and repairing equipment and connecting to utilities in the building in which the program is operated.
- Training provided for employee development.
- Travel on food service business such as workshops, conferences and training programs
- Membership, subscriptions, books and audiovisual equipment used to benefit the food service operation
- Rental of food storage facilities or equipment as required for program needs
- Cash registers, adding machines, computers, printers, typewriters, communication equipment and other office equipment used exclusively for the food service operation
- Printing and reproduction equipment or services
- Automotive equipment used exclusively in transporting food
- Services, when actual costs attributable to food service are billed separately such as pest control, trash removal and security - If the invoice does not specifically identify the actual costs attributable to food service, the expenditure must be categorized as an indirect cost
- Utilities, when actual costs attributable to food service are billed using separate meters - If the invoice does not specifically identify the actual costs attributable to food service, the expenditure must be categorized as an indirect cost
- Advertising for the recruitment of personnel, for the solicitation of bids for the procurement of goods and services required, and for the disposal of scrap or surplus materials
- Promotional materials and exhibits related specifically to the program and to advisory councils related to student/parent involvement in the food service program.

UNALLOWABLE EXPENDITURES

- Income accruing to the food service program may not be used to purchase land, acquire or construct buildings, or make alterations to existing buildings that materially increase the value of capital assets. However, paint and decorator items would not be considered capital expenditures. Only those improvements that

materially increase the value or life of the building would be considered capital expenditures.

- Contributions and cash donations
- Entertainment, amusements, social activities, gratuities, alcoholic beverages, and related activities
- Interest on loans
- Rent or usage fees for sponsor owned facilities (public schools only)
- Personal membership in civic and business organizations. An agency or LEA membership is allowable. The expenditures may not be for membership in an organization that devotes a substantial part of its activities to influencing legislation.
- Items purchased using Child Nutrition Program funds, but the items are not used in the Child Nutrition Program.

¹ Excerpted from the Draft Administrative Manual for school Meal Programs Chapter on Financial Management

See also 2 CFR 225 Appendix A