



DEPARTMENT OF EDUCATION


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July 2, 2015

MEMORANDUM

TO: School Nutrition Supervisors
Single Unit and Special School Administrators

FROM: Aimee F. Beam, RD, LDN 
Education Associate, Nutrition Programs

SUBJECT: **SY 2015-2016 Operational Memo#2
Annual Financial Report in DENARS**

Local Educational Agencies (LEAs) with School Food Authorities (SFAs) that participate in the USDA Child Nutrition Programs are required to keep financial records to document the nonprofit status of the School Nutrition account. Sufficient records must be kept to prove the independence of the School Nutrition Program account and to further demonstrate that there is no diversion to any non-school food service activity. These records are critical for audits.

Therefore, LEAs are required to maintain a financial management system that will, among other things, document the nonprofit status of School Nutrition Programs and provide annual review by the State Agency of operating balances.

The Annual Financial Report needs to be completed in DENARS; you will not need to print and send a paper copy of the report. You can access the Annual Financial Report under the "Application" tab in DENARS.

As part of the annual review of the nonprofit school nutrition account, SFAs are required to complete and submit the Operating Balance Worksheet. This worksheet has been revised to ensure that all SFAs are calculating operating balance in the same way. Please note that we are asking everyone to use a 12 month time period of July 1-June 30 for this worksheet to match the information on the Annual Financial Report.

Please complete the **Annual Financial Report** for the period July 1, 2014 – June 30, 2015 in DENARS by July 31, 2015. Please email the **Operating Balance Worksheet** by July 31, 2015 to schoolnutrition@doe.k12.de.us. You may contact us with any questions at 302-857-3356.

Enclosure

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