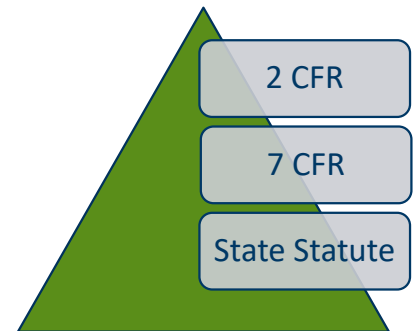
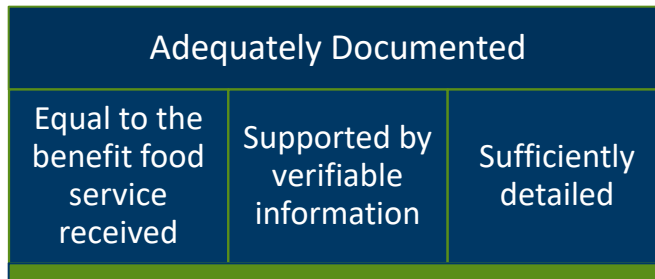
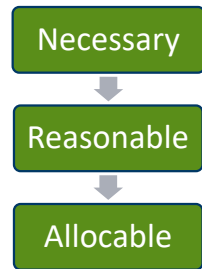


Food Service Direct Costs

Factors affecting allowability of costs:



MN 124D.111 LUNCH AID; FOOD SERVICE ACCOUNTING.

(c) Revenues and expenditures for food service activities must be recorded in the food service fund. The costs of processing applications, accounting for meals, preparing and serving food, providing kitchen custodial services, and other expenses involving the preparing of meals or the *kitchen section* of the lunchroom **may be charged to the food service fund or to the general fund** of the district. The costs of lunchroom supervision, lunchroom custodial services, lunchroom utilities, and other administrative costs of the food service program **must be charged to the general fund**.

MAY be charged directly to Fund 02 or Fund 01

- Application Processing
- Accounting for Meals
- Preparing and Serving Food
- Kitchen Custodial Services
- Other expenses involving the preparing of meals or the kitchen section of the lunchroom of the district

MUST be charged directly to Fund 01*

- Lunchroom Supervision
- Lunchroom Custodial Services
- Lunchroom Utilities
- Administrative Costs of the food service program

*May be charged back to Fund 02 if condition of MN124D.111(h) is met.

MN 124D.111 LUNCH AID; FOOD SERVICE ACCOUNTING.

(h) If a surplus in the food service fund exists at the end of a fiscal year for three successive years, a district may recode for that fiscal year the costs of lunchroom supervision, lunchroom custodial services, lunchroom utilities, and other administrative costs of the food service program charged to the general fund according to paragraph (c) and charge those costs to the food service fund in a total amount not to exceed the amount of surplus in the food service fund.

Classification of Costs

| Direct | Indirect |
|---|---|
| Meeting all requirements outlined above | Assigned as part of the approved indirect cost rate |

Consistent Treatment

There is no universal rule for classifying costs as either direct or indirect. However, like costs must be treated consistently in like circumstances. A cost may not be allocated to a federal award as an indirect cost if any other cost incurred for the same purpose, in like circumstances, has been assigned to another federal award as a direct cost.