

## Excess Funds

USDA FNS has a rule that districts cannot have more than 3 months of operating expenses in the foodservice account at the end of the school year. Due to the increased meal reimbursements, 44 districts had excess funds this year. The State agency is allowed to increase the limit. Due to the higher Summer Food Service Program meal reimbursements received, an extra 25% on top of the current 33% limit of expenditures will be allowed to deal with the price increases and supply chain issues experienced at the beginning of the 2021/22 school year. With that allowance, only 14 districts are considered to have excess funds.

The remaining districts with excess funds are required to fill out an Excess Fund Balance Reduction Plan. Writing that the district expects drastic price increases on food and lesser meal reimbursements is a valid plan. Also, giving a generous raise to food service workers or buying needed equipment are good practices. If your district received notice from Rhonda Amundson regarding excess funds, please send the plan to [degeland@nd.gov](mailto:degeland@nd.gov) if and have not done so.

Due to the higher SSO meal reimbursements and Supply Chain Assistance Funds received, we the additional 25% on top of the current limit of 33% of expenditures will be allowed to prepare for price increases and lower reimbursement rates for SY 22/23. This would result in a limit of 58% of foodservice expenditures for SY ending June 30, 2022.

The State agency would never take your excess money. We just need to make sure you have an allowable plan of how to spend it.