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December 18, 2014

**SUBJECT: Interest Earned on School Food Service Fund
NSLP – 114**

TO: Authorized Representatives
School Nutrition Programs

FROM: Child and Adult Nutrition Services

This information should be shared with the business manager and anyone else responsible for bookkeeping for the school nutrition programs. The memo is also available on the Child & Adult Nutrition Services website.

Any interest transfers from the food service fund are prohibited by federal regulation. The regulations define it in 7CFR Part 210.2 for NSLP, 220.2 for School Breakfast Program, and 215.2 for Special Milk Program.

Revenue, when applied to nonprofit school food service, means all monies received by or accruing to the nonprofit school food service in accordance with the State agency's established accounting system including, but not limited to, children's payments, earnings on investments, other local revenues, State revenues, and Federal cash reimbursements.

Nonprofit school food service account means the restricted account in which all of the revenue from all food service operations conducted by the school food authority principally for the benefit of school children is retained and used only for the operation or improvement of the nonprofit school food service.

This applies to all School Food Authorities (SFAs) participating in the School Nutrition Programs. SFAs should check and amend your interest policy if it includes the transfer of interest from food service fund.

If you would like further guidance or have additional questions related to this matter, please call our office at (605) 773-3413.