



CALIFORNIA  
DEPARTMENT OF  
EDUCATION

**TOM TORLAKSON**

STATE SUPERINTENDENT OF PUBLIC INSTRUCTION

May 21, 2012

Dear County and District Superintendents, Charter School Administrators, and  
Nutrition Service Directors:

### **CAFETERIA FUNDS/ACCOUNTS—REMINDERS AND RESOURCES**

In December 2011, I distributed a letter to you regarding the appropriate use of Indirect Costs in Child Nutrition Programs (the letter is available on the California Department of Education [CDE] Child Nutrition Reauthorization 2010 Web page at <http://www.cde.ca.gov/nr/el/le/yr11ltr1209.asp>). Today, I am following up with additional essential information regarding the allowable uses of school cafeteria funds.

Over the past five years, the CDE has discovered and investigated an increasing number of cafeteria fund misappropriations. In response to this growing threat to school nutrition program operations, the CDE's Nutrition Services Division developed cafeteria fund and financial management training for food service directors. We have presented training sessions at the California Association of School Business Officials and the California School Nutrition Association (CSNA) conferences as well as at CSNA supervisory chapter meetings throughout the state. The CDE has also developed a comprehensive Management Bulletin that can be found on the CDE Cafeteria Funds/Accounts—Reminders and Resources Web page at <http://www.cde.ca.gov/ls/nu/sn/mbnsdsnp052012.asp>.

Both federal and California state law govern cafeterias (school food services) and their restricted accounts. These laws protect cafeteria funds and affirm that they may only be used for the maintenance and improvement of school food services. While California's Legislature has tried to provide districts with flexibility in managing all of their funds during these tough economic times, it is important for you to note that federal laws prohibit the use or transfer of cafeteria funds for other purposes.

I encourage all county and district superintendents and charter school administrators to work with their food service directors and business officials to become knowledgeable about the proper use of cafeteria funds and—as I mentioned in my December 2011 letter—with federal cost allocation requirements. Failure to comply with applicable federal regulations by improperly appropriating cafeteria funds or indirect costs may result in California state or federal audit findings and negative consequences for districts or agencies participating in federal meal programs.

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You can find further information regarding the allocation of cafeteria funds in the California School Accounting Manual (CSAM), which outlines our state's official school accounting system and assists districts and agencies in managing their funding. California *Education Code* Section 41010 requires school districts to use systems to record their financial affairs that comply with the CSAM's definitions, instructions, and procedures. You can view the CSAM on the CDE Definitions, Instructions, and Procedures Web page at <http://www.cde.ca.gov/fq/ac/sa/>. Please direct your questions about CSAM procedures to the e-mail or phone number at the bottom of the Web page.

If you have any questions regarding cafeteria fund policies, please contact Christine Kavooras, Manager, Southern School Nutrition Programs Unit, by phone at 916-322-3609 or by e-mail at [ckavoora@cde.ca.gov](mailto:ckavoora@cde.ca.gov); or Andrea Tayo, Program Specialist, Southern School Nutrition Programs Unit, by phone at 916-445-4851 or by e-mail at [atayo@cde.ca.gov](mailto:atayo@cde.ca.gov).

Sincerely,



Tom Torlakson

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