

USDA Foods (Commodity) Handling Charges

USDA Foods handling charges must be recorded properly on the district's general ledger. Your online claim monthly National School Lunch reimbursement information will identify the dollar amount of any USDA Foods (commodity) handling charge. The handling charge will reduce the total federal food service aid payment your district receives, but the district must record the gross amount of federal National School Lunch aid payments on its ledger.

The proper accounting treatment for recording handling charges will be as follows:

	<i>Source/Object</i>	<i>Function</i>	<i>Project</i>	<i>Dr. Amount</i>	<i>Cr.</i>
Dr. Cash	N/A	711000	N/A	10,871.02	
Cr. Federal Food Service Aid	717	500000	547		10,871.02
(This entry will record the actual cash transfer amount)					
Dr. USDA Foods Handling Charges Expenditure	387	257000	N/A	2,731.88	
Cr. Federal Food Service Aid	717	500000	547		2,731.88
(This entry will record the gross amount of federal food service aid received)					
Dr. Federal Food Service Aid	717	500000	547	500.00	
Cr. USDA Foods Handling Charges Expend.	387	257000	N/A		500.00
(This entry will record any necessary USDA Foods Handling Charge Credit issued by DPI)					

USDA Foods Handling Charges will be identified separately on the district's Aids Register. You will notice that total federal national school lunch aid identified on the aids register will reflect the **gross** federal national school lunch aid received before any reductions for handling charges. Handling Charge Credits are treated as a reduction in the total Handling Charges incurred. The above entries will ensure that your district's general ledger accounts will agree with the amounts reported in the aids register.