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| June 22, 2022 |

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| TO: Sponsors of the National School Lunch Program (NSLP) RE: Excess Operating Balance Reporting (EOB) – **Action Required – Submit (EOB) by September 30, 2022 [Revised]** |

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| This memo is to notify sponsors of the National School Lunch Program (NSLP) that the Oregon Department of Education Child Nutrition Program (ODE CNP) will be collecting information regarding each sponsor’s net cash resource balance of the non-profit food service account for the 20/21 school year.ODE CNP is responsible for ensuring that schools, districts, and other entities participating in the National School Lunch and School Breakfast Programs comply with federal regulations regarding financial management of their nonprofit food service accounts. This includes a requirement that program sponsors limit their net cash resources (i.e. year-end balance) to an amount that does not exceed three months average expenditures for their nonprofit food service programs. Refer to [7 CFR 210.9(b)(2)](http://www.ecfr.gov/cgi-bin/text-idx?SID=0b9b2d71b0e5c6bc8b6081c134966538&mc=true&node=se7.4.210_19&rgn=div8&utm_medium=email&utm_source=govdelivery) and [7 CFR 220.7(e)(1)(iv)](http://www.ecfr.gov/cgi-bin/text-idx?SID=0b9b2d71b0e5c6bc8b6081c134966538&mc=true&node=se7.4.220_17&rgn=div8&utm_medium=email&utm_source=govdelivery).State agencies have the discretion to approve retention of more than a three month average expenditure per [7 CFR 210.14(b)](https://www.ecfr.gov/current/title-7/subtitle-B/chapter-II/subchapter-A/part-210?utm_medium=email&utm_source=govdelivery#210.14) and [210.19(a)(1)](https://www.ecfr.gov/current/title-7/subtitle-B/chapter-II/subchapter-A/part-210?utm_medium=email&utm_source=govdelivery#210.19).**All program sponsors** will be required to calculate their year-end nonprofit food service account balance and provide one of the following certifications using the [Excess Operating Balance SY 2021 Certification Form](https://app.smartsheet.com/b/form/3dd310684f984424bf7b0c3536811263?utm_medium=email&utm_source=govdelivery):* Certification by the financial manager listed in CNPweb that the year-end balance of the nonprofit food service account for the 20/21 school year is not in excess of three months average expenditures ***OR***
* Certification by the financial manager listed in CNPweb that the year-end balance of the nonprofit food service account **is** in excess of three months operating balance, but the sponsor is requesting state agency approval to retain the excess funds and the sponsor will spend the amount down (making allowable expenditures).

Your school or school district will receive a separate notification of compliance with the EOB requirement to retain for your records. Your organization’s business officer, accountant, or financial manager should be the person to complete the EOB certification form. Please ensure that person receives this memo. The Excess Operating Balance Certification form must be submitted to the state agency by **September, 30, 2022**.Should you have any questions regarding the EOB requirement or the EOB Certification Form, please contact your [Assigned Nutrition Specialist](https://www.oregon.gov/ode/students-and-family/childnutrition/SNP/Documents/sponsor_support_list.docx?utm_medium=email&utm_source=govdelivery). |

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| Sincerely, |

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| Damasita Sanchez |

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| Damasita Sanchez, School Nutrition ManagerChild Nutrition ProgramsOffice of Child Nutrition |

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