

**§ 115C-450. School food services.**

(a) School nutrition services shall be included in the budget of each public school unit that provides school nutrition services, and the State Board of Education shall provide for school nutrition services in the uniform budget format required by G.S. 115C-426.

(b) No public school unit that provides school nutrition services shall assess indirect costs to a school nutrition program unless the program has an operating balance of at least two months. The Department of Public Instruction shall calculate the operating balance of a school nutrition program of a public school unit that provides school nutrition services. If complete and final financial reports for a given year are not yet available for a school nutrition program, the Department of Public Instruction may use projected figures, but shall update the published average month's operating balance once complete and final financial reports become available. As used in this subsection, the term "indirect costs" is as defined in 2 C.F.R. § 200.414.

(c) No public school unit that provides school nutrition services shall assess an unrestricted indirect costs rate to a school nutrition program that is more than eight percent (8%).

(d) No later than May 15, 2022, and every six months thereafter, the Department of Public Instruction shall report all the following information to the Joint Legislative Education Oversight Committee, the Senate Appropriations Committee on Education/Higher Education, the House Appropriations Committee on Education, and the Fiscal Research Division:

- (1) The number of months of the operating balance held by the school nutrition program for each public school unit.
- (2) The amount and percentage of indirect costs charged to the school nutrition program by the public school unit, if any. (1975, c. 437, s. 1; 1981, c. 423, s. 1; 2013-235, s. 1; 2021-180, s. 7.31.)