

LOAN AGREEMENT FOR FOOD SERVICE DEFICITS

This contract and agreement, made and entered into the _____ day of _____, _____, by and between the General Fund, hereinafter referred to as First Party, and the Child Nutrition Programs (CNP) account, hereinafter referred to as Second Party, of _____ school district, witnesseth:

The First Party contracts and agrees to furnish the Second Party the cost of an amount not to exceed \$ _____ as a contingent liability subject to repayment as funds become available from the party of the Second Party. This loan agreement must ensure that the party of the Second Party will use these funds only for the operation and improvement of the nonprofit CNP for children. This loan agreement may include items such as utilities, indirect costs/overhead, and the coverage of end-of-year shortfalls; i.e., salaries, inventory, etc.*

The Second Party agrees to the loan and to pay as specified the costs of the same shown on the agreement on or before June 30, _____.

It is further mutually agreed between the parties hereto, as follows:

1. Any change in services or cost of services shall be made by mutual agreement of each of the parties hereto in writing by attaching a copy of such change or changes to this contract as an addendum thereto.
2. Rights and obligations of the parties hereto shall be governed by the United States Department of Agriculture (USDA) Policy Memo 93-SP-23 and federal and state laws.
3. This contract and all provisions hereto shall be binding upon the successors and assigns of the parties hereto insofar as the parties may bind their successors and assigns under the laws of the state of Oklahoma.

Witness our hands the day and year first above written.

Clerk/Board of Education
(General Fund Manager)

Child Nutrition Programs Manager

Subscribed and sworn to before me -----

, _____

My commission expires _____, _____

Notary Public

*If utilities and indirect costs/overhead are to be paid from the CNP account, it must be a part of this contract.