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**PURPOSE**

The purpose of NFSMI is to improve the operation of Child Nutrition Programs through research, education and training, and information dissemination. The Administrative Offices and Divisions of Technology Transfer and Education and Training are located in Oxford. The Division of Applied Research is located at The University of Southern Mississippi in Hattiesburg.

**MISSION**

The mission of the NFSMI is to provide information and services that promote the continuous improvement of Child Nutrition Programs.

**VISION**

The vision of the NFSMI is to be the leader in providing education, research, and resources to promote excellence in Child Nutrition Programs.

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# Table of Contents

**Introduction**

- Identification and Classification of Financial Data
- Operational Data

**Section 1**

- Basic Financial Statements
- Statement of Revenue and Expenditures
- Revenue
- Expenditures
- Balance Sheet

**Section 2**

- Supplemental Schedules
- Schedule and Definition Format
- Revenue
- Expenditures

**Section 3**

- Analysis and Evaluation of Program Operation

**Section 4**

- Budgeting

**References**
The Applied Research Division (ARD) of the National Food Service Management Institute (NFSMI) convened a Research Agenda Task Force in the summer of 1995 to determine the research needs of school foodservice programs. The Research Agenda Task Force identified financial management as a primary concern and planned research activities to address this issue. The first project was a case study to determine revenue generation and expenditure control measures used in financially successful school foodservice programs (Cater & Mann, 1997). This study demonstrated that even financially successful programs were analyzing expenditures inconsistently enough to prevent constructive comparisons among programs. The four school foodservice administrators participating in the study welcomed suggestions for uniform calculations and eventually adopted these suggestions in their routine financial procedures.

A second initiative was to survey state directors of school foodservice programs to investigate their perception of the usefulness of a uniform system for recording and analyzing financial data and to catalog the methods used to calculate common financial measures. The state directors responding indicated that a system for recording and analyzing financial data would be a helpful tool for better decision making. Cost control and effective financial management of school foodservice resources were concerns cited by all respondents.

Utilizing the survey results, a 25-member task force composed of state directors, district school foodservice administrators, school business officials, an accountant, and a computer software designer determined the scope, content, and format for a uniform financial management information system (FMIS). The meeting took place in the spring of 1998. The Financial Accounting for Local and State School Systems, 1990 handbook published by the National Center for Education Statistics served as a guide in the development of the model. The model developed was evaluated and revised following a second task force meeting. Next, the FMIS was mailed to approximately 70 panelists representing all 50 states. The ARD staff analyzed comments received from respondents and made further revisions based on this nationwide panel review. A validation of the forms and schedules contained in the model and a test of the process was conducted and final revisions were made. The FMIS was published as a draft in 1999 and as a technical report in February 2001.

Changes in financial management practices after the initial task force meeting set the stage for updating the FMIS model in 2004. NFSMI convened a new 20-member financial management task force on March 22-23, 2004 to recommend changes/modifications to the 2001 FMIS model. The process for updating the model included a review of the existing model as well as comparison with the latest version of Financial Accounting for Local and State School Systems, 2003 Edition.

Results from the 2004 task force meeting confirmed that the NFSMI FMIS model should be updated to address current financial management issues and practices in school meal programs. Participants most often mentioned issues such as vending practices, single inventory of purchased and commodity foods, food pricing, and development of benchmarks as concerns that should be addressed in an updated version of the FMIS model.

Using the task force recommendations, the NFSMI staff revised the 2001 FMIS model. An expert panel reviewed the draft of the updated version. Further refinements were made to reflect the panel’s suggestions and recommendation. This publication represents the combined efforts of both the 1998 and 2004 task forces and expert panel members.
SECTION 1
IDENTIFICATION AND CLASSIFICATION OF FINANCIAL DATA
How Do I Use This Financial Management Information System (FMIS)?

What is the FMIS?
The financial management information system (FMIS) is a tool that will assist school foodservice administrators in interpreting the financial outcomes of operational decision-making. It will help administrators to decide whether their school foodservice programs financial health is better or worse than during previous accounting periods or past budget periods. The FMIS will also allow administrators to compare their operation with similar operations.

What is the purpose of the FMIS?
The purpose of this FMIS is to provide school foodservice administrators with a financial management tool to aid in decision-making and to improve program quality and efficiency. It is important to remember that any improvements in efficiency should not compromise high quality standards for food and customer acceptance. Improvements in efficiency should not sacrifice the quality of the program.

Why was the FMIS developed?
School foodservice professionals face growing pressures to operate school foodservice programs with increased efficiency, and directors are expected to conduct the school foodservice program as a self-supporting unit. It no longer is sufficient to provide a historical record of financial performance and meet budget goals; professionals must justify their performance against best practice facilities. Success depends on the ability to meet customer needs, improve quality, and reduce expenditures.

Can anyone use the FMIS?
Yes. Any school foodservice administrator can use the FMIS. It is designed to be broad in scope so that it can be used by all sizes and types of school foodservice programs across the nation.

What if I already complete financial records for my school foodservice program?
Many school foodservice programs already compile and calculate financial data in differing formats and with varying amounts of detail. Some may elect to use only the parts of this FMIS that are most relevant to their unique operation. Others may choose to use the entire FMIS to:

- compare key performance indicators to budget guidelines, to other programs or districts, or to their own previous performance.
- supplement recording and analyzing procedures already being used.
**When I use the FMIS, do I have to follow the schedule categories and formulas?**

Yes, if the goal is to use the financial data for benchmarking purposes. The structure and format presented by this system ensure the following:

- **uniformity**—all data are recorded the same way each time so that the results may be compared from one accounting period to the next, one budget year to the next, or among schools/districts.

- **accurate comparison**—the ability to compare like items or facilities (apples compared to apples instead of pineapples) will provide credible information.

- **valid and reliable benchmarking**—school districts can make a comparison of their data to that of recognized best practices facilities/districts.

Not all programs have the same degree of complexity, and more detail is provided in this system than is used by some operations. For example, the revenue schedule shows where money generated from catering would be included in the total revenue calculation, but not all school foodservice programs are currently providing this option. All elements of the FMIS may not be present in every school foodservice program, but if specific financial data are present, the FMIS provides the structure and format needed for consistency in financial analysis.

**How does FMIS relate to the budget?**

The FMIS can be very useful to the school foodservice administrator when planning the budget. Budgeting is an invaluable tool for both planning and evaluation. The budget forecasts the amount of revenue that will be available and how it will be allocated for expenditures, thus providing one method of controlling operations and activities as they occur.

**Why should I use the FMIS?**

The advantages of using a uniform system are as follows:

- **A uniform system establishes standardized formats and account classifications to guide in the preparation and presentation of financial statements.**

- **Standardization permits internal and external users to compare the financial position and operational performance of a program to others with similar characteristics.**

- **The model provides a turn-key accounting system that can be adapted quickly to the needs and requirements of a program.**

- **Use over a period of time can generate local, regional, and national statistics that will assist in identifying trends and setting priorities for strategic planning by programs and the profession.**

- **The provision for both internal and external reports ensures that the appropriate, pertinent information, offering suitable detail, is presented to various audiences in the management of school service programs.**

- **While use of the FMIS is voluntary, school foodservice administrators are strongly encouraged to use the system as the national program moves toward standardization. Portions can be selected for use or the system can be adopted in its entirety.**

- **Acceptance by the profession of a uniform system for recording and analyzing financial data will foster the use of common standards and practices by both self-operated and commercially-managed programs.**
OPERATIONAL DATA

All school district operational units, including school foodservice, must provide financial information in accordance with principles established to provide consistency and comparability for users. If the school foodservice operation is to achieve financial accountability, the information provided must be accurate, relevant, and reliable. Financial reports must provide data that foster effective decision-making, allow internal comparison to expected or prior performance, and permit external comparison to other programs or established standards. As a result, the financial reporting systems must be capable of producing financial information in a variety of formats and level of detail.

The three major categories of information presented in financial reports for the school foodservice operation are:

- Revenues
- Expenditures
- Fund Balance

Revenue

Revenue can be defined as income received in exchange for goods or services provided by the school foodservice department. The major sources of revenue for school foodservice programs are local sources in the form of student and adult payments for meals, state revenue, and federal revenue. The value of USDA-donated commodities is also considered revenue. Other local sources of revenue include a la carte sales, special school functions, catered functions, vending sales, contracts for other federal programs such as Elderly and Summer Food programs, interest/dividends, and rebates. This listing of revenues is not complete but offers a general guide to the identification of revenues. A complete dictionary of revenues is found in Section 3.

Expenditures

Expenditures are costs that can be identified specifically with the operation of the school foodservice program such as payroll and related employee benefits, cost of materials and food, equipment expenditures, and services expenditures. The major expenditures associated with the operation of the school foodservice program are labor and food costs. Together, these two expense categories account for approximately 80% of all funds expended.

Fund Balance

The fund balance is the net cash resources available to the school foodservice operation at any given time, less payables. Government regulations require that no more than three months’ average expenditures may be accumulated in the fund balance. If the net cash resources exceed the three months’ average expenditures, the state agency must require that the school district take action to reduce the excess balance.
Managing the financial resources of the school foodservice operation is critical to the success of the program. One of the most important aspects of financial management involves preparation of financial statements that can be used to analyze program operations. Before financial statements can be prepared and analyzed, basic accounting principles and financial management concepts must be in place to provide a uniform basis for gathering, recording, and interpreting financial data. Although the financial management guidelines presented here are not “written in stone,” they provide a model for recording and classifying transactions that allows the user to summarize and interpret the financial data for making better management decisions.

In order to make financial management decisions, the school foodservice administrator must have knowledge of basic accounting principles. Accounting is an information-processing activity that provides recorded financial data important to making financially sound business decisions. In basic accounting procedures there are primarily two methods for determining when to record a financial transaction.

- **Cash basis accounting** recognizes an accounting transaction at the point of cash inflow or outflow. While cash basis accounting is the simpler of the two methods, it may not provide the user with an accurate reflection of the financial status of the operation.

- **Accrual basis accounting** recognizes revenue when it is earned regardless of when cash is received and recognizes expenditures when they are incurred regardless of when payment is made. An accrual basis accounting method provides a more meaningful evaluation of the school foodservice program because it matches expenditures to revenues.

Many school foodservice programs use a blending of the two methods to record transactions. This method is best referred to as modified accrual. Although expenditures are matched with revenues in these operations, there are situations in which some expenditures, such as the payroll, do not exactly match the accounting period. In some school foodservice programs, these costs may not be adjusted to the accounting period as is required when using the accrual method. Another variation in the method of recording accounting transactions often occurs when a school district purchases major equipment. In accrual accounting, the total cost of purchasing furniture and equipment is not expensed in the period in which they are purchased. Instead, a pro rata share of the cost in the form of depreciation expense is charged to each accounting period during the useful life of long-lived purchases. Under current reporting guidelines to USDA, equipment is considered an expense one time only — when it is purchased.

Evaluating and monitoring the school foodservice operation should be an ongoing process. Two financial statements that can be used to help school foodservice administrators analyze the effectiveness of their programs are:

- the Statement of Revenue and Expenditures, also known as the Profit and Loss Statement, and
- the Balance Sheet.
**STATEMENT OF REVENUE AND EXPENDITURES**

The financial statement most often used to convey operating performance of a school foodservice operation is the Statement of Revenue and Expenditures. It is one of the most important financial statements used by school foodservice administrators.

The Statement of Revenue and Expenditures reflects the financial results of the operation for a given period of time. It reports revenues and expenditures with net results of current operations for the accounting period. This information can be provided in an abbreviated statement to parties interested in the bottom-line results such as the superintendent, business officials, or school board members. A more detailed account can be provided to internal users such as the school foodservice administrator or school site managers. A key to communicating the financial status of the operation is to provide financial information in sufficient detail to be useful to the user of the financial statement, yet not to over-complicate the report.

In order for the Statement of Revenue and Expenditures to indicate the profitability of the operation, it must follow established standardized formats and classifications. Not only must financial data be accumulated and summarized, it must be presented consistently and in a way that users understand.

The Statement of Revenue and Expenditures presented in this section, on page 16, applies to the school foodservice operations that are operated under the National School Lunch Program, School Breakfast Program and other school foodservice programs. The accounts appearing in this sample statement may not apply to every school foodservice operation. The actual number and type of accounts will vary according to state and local district requirements. Individual school district foodservice administrators should modify the financial statements to meet their own needs and requirements, while remaining consistent with generally accepted accounting principles.

The Statement of Revenue and Expenditures provides three major elements of financial information. They are:

- the total revenue available to the program by source,
- total expenditures by category, and
- net excess/deficit to the program for the period of the statement.

Preparing supplemental schedules with a complete listing of all items and their amounts can further enhance the school foodservice administrators’ ability to make better financial management decisions. Supporting schedules and definitions for each category are covered in Section 3.
# School District

## School Foodservice Account

### Statement of Revenues and Expenditures

**Ending [Month]**

<table>
<thead>
<tr>
<th>Revenue</th>
<th>Current Month</th>
<th>Prior Month</th>
<th>YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student Meal Sales</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adult Meal Sales</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Food Sales</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contract Meal Sales</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Local Sales</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Sources</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal Sources</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Miscellaneous</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fund Transfer-In</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Expenditures                  |               |             |     |
| Salaries and Wages            |               |             |     |
| Employment Benefits           |               |             |     |
| Purchased Services            |               |             |     |
| Property Operation            |               |             |     |
| Purchased Food                |               |             |     |
| Donated Commodities           |               |             |     |
| Food Production Supplies      |               |             |     |
| General Supplies              |               |             |     |
| Miscellaneous                 |               |             |     |
| Capital Equipment             |               |             |     |
| Indirect Costs                |               |             |     |
| Fund Transfer-Out             |               |             |     |
| **Total Expenditures**        |               |             |     |

| **Net Excess/Deficit**        |               |             |     |
Revenue

The following definitions provide a general description of the revenues found on the Statement of Revenue and Expenditures. Refer to the supplemental schedules in Section 3 for a more detailed description of revenue items. The schedules also provide a guide for classifying sources of revenue within each category.

**State Sources**
These funds are provided to the School Food Authority from state government.

**Federal Sources**
These payments are received from federal funds for reimbursable meals and afterschool care snacks. They also include the value of donated commodities received, cash received in lieu of commodities, federal grants, and funds for other federal nutrition programs.

**Other Local Sources**
Other local sources include those funds received from sources such as local government aid, grants, or contributions.

**Student Meal Sales**
These funds are identified as revenue received from the sale of reimbursable meals to students. Included are monies received from full-paying and reduced-paying students.

**Adult Meal Sales**
This item includes all revenue received from the sale of meals to adults. Meals sold to school employees, parents, and guests of the school district should be included in this category.

**Contract Meal Sales**
These are funds received from the sale of meals prepared and regularly served for an agreed price to constituents of an agency, organization, business or group who have entered into a contractual agreement with the School Food Authority for meals.

**Other Food Sales**
These funds are received from food sales such as a la carte, extra meal components (milk), snacks, and special school or catered meals.

**Miscellaneous Other Revenue**
This item covers other revenue not classified or included elsewhere, such as rebates, sale of surplus equipment, and lease or rental of equipment.

**Interest**
This is the money earned on bank deposits, investments, etc.

**Fund Transfer-In**
These funds are transferred to the school foodservice operation from other school funds.
Expenditures

The following definitions provide a general description of the expenditures found on the Statement of Revenue and Expenditures. Refer to the supplemental schedules in Section 3 for a more detailed description of expenditures. The schedules also provide a guide for classifying sources of expenditures within each category.

Salaries and Wages
This expense item includes regular pay, extra time, overtime pay, vacation pay, severance pay, holiday pay, substitute pay, administrative salaries, and other salaries and wages paid from school foodservice funds. Supporting worksheets and schedules may be prepared.

Employee Benefits
This expense item includes social security, all insurance applicable to employees, workers’ compensation, retirement contributions paid by the school foodservice program, and unemployment insurance. This item may, according to school board policy, include employee meals, job-related medical expenditures not covered by insurance, and other employee benefits such as uniforms paid for from school foodservice funds.

Purchased Food Products
This includes the amount expended for the purchase of all food sold in the school foodservice operation, charges for processing commodities from bulk or raw form to ready-to-use end products, and the cost of commodity delivery to school districts.

Donated Commodities Used
This expense item covers the value of commodities used, including food purchased with a commodity letter of credit, and cash in lieu of commodities. It should be noted that under the single inventory concept, school districts are no longer required to inventory donated commodities separately from purchased food.

Food Production Supplies
This includes expenses for paper or disposable supplies used only for production and service of food at the school site. This category may be required to be identified separately for indirect cost purposes.

General Operating Supplies
These items include the cost of general supplies necessary for the operation of the school foodservice program, including office supplies and dish machine supplies.

Purchased Services
Expenses include fees expended for professional and technical services, including accounting, legal advice, and training. Architects, consultants, computer specialists, food service management fees, and other similar services are also included.

Property Operation
This category covers amounts expended for property service such as maintenance and upkeep of property. It includes energy costs, payments to other agencies for repairs and maintenance of foodservice equipment, and repair or upkeep of cafeteria facilities.
Miscellaneous

These items are expenditures not classified or included elsewhere.

Capital Equipment

Expenditures in this category include costs for acquiring fixed assets such as initial equipment or replacement of equipment. Unit cost and useful life may be specified by entity.

Indirect Costs

These costs represent the share of any general school district overhead attributable to the school foodservice operation, including foodservice activities and support services provided by other district departments that are recovered through an approved cost allocation plan.

Fund Transfer-Out

These funds are transferred from the school foodservice operation to other school district funds.

Balance Sheet

The Balance Sheet or the Statement of Financial Position is a financial statement prepared at the end of each accounting period to reflect the financial position of the school foodservice operation at a particular point in time. The Balance Sheet is normally considered a required financial statement in accordance with generally accepted accounting principles. However, this statement can also be a useful tool for school foodservice administrators. Critical information such as cash balance, outstanding payables, and fund balance available for expenditures is available on this statement. The Balance Sheet includes information about the program’s assets, liabilities, and fund equity.

- Current assets include inventory values; accounts receivable; funds due from federal, state, and local governments; cash on deposit; petty cash; and cashiers change cash. Noncurrent assets include furniture and equipment less accumulated depreciation.

- Liabilities consist of obligations of the school foodservice operation at the date of the balance sheet that are expected to be paid by the close of the accounting period. Included are accounts payable, accrued salaries and benefits, funds due to other sources, and deferred revenue.

- The Fund Balance or Fund Equity consists of funds that are reserved or designated for purposes such as encumbrances and inventory and unreserved funds. Unreserved funds represent the excess of funds over liabilities that are not restricted for specific purposes.

The Balance Sheet is generally considered less useful than the Statement of Revenue and Expenditures. It reflects an operation’s financial position only at a particular moment and several of the items may be based on estimates. For example, it may not be possible to report the exact amount of revenue that is due to the school foodservice program in accounts receivable, so an estimate is recorded.
Balanced Sheet Sample

**Current Assets**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents</td>
<td></td>
</tr>
<tr>
<td>Cash in Bank</td>
<td>$_________</td>
</tr>
<tr>
<td>Petty Cash</td>
<td>$_________</td>
</tr>
<tr>
<td>Cashier's Change Cash</td>
<td>$_________</td>
</tr>
<tr>
<td>Sales Tax Collection</td>
<td>$_________</td>
</tr>
<tr>
<td>Investments</td>
<td>$_________</td>
</tr>
<tr>
<td>Receivables</td>
<td></td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>$_________</td>
</tr>
<tr>
<td>Due from Federal Funds</td>
<td>$_________</td>
</tr>
<tr>
<td>Due from State Funds</td>
<td>$_________</td>
</tr>
<tr>
<td>Due from Other Funds</td>
<td>$_________</td>
</tr>
<tr>
<td>Inventories</td>
<td></td>
</tr>
<tr>
<td>Purchased Food and Commodities</td>
<td>$_________</td>
</tr>
<tr>
<td>Supplies and Materials</td>
<td>$_________</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>$_________</td>
</tr>
</tbody>
</table>

**Noncurrent Assets**

<table>
<thead>
<tr>
<th>Description</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Furniture and Equipment</td>
<td>$_________</td>
</tr>
<tr>
<td>Less accumulated depreciation</td>
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<td><strong>Total Noncurrent Assets</strong></td>
<td>$_________</td>
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<tr>
<td><strong>Total Assets</strong></td>
<td>$_________</td>
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</table>

**Current Liabilities**

<table>
<thead>
<tr>
<th>Description</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable</td>
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<tr>
<td>Accrued Salaries</td>
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<tr>
<td>Accrued Payroll Deductions</td>
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<tr>
<td>Due to Other Funds</td>
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<tr>
<td>Deferred Revenue</td>
<td>$_________</td>
</tr>
<tr>
<td>Sales Tax Owed</td>
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</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>$_________</td>
</tr>
</tbody>
</table>

**Fund Balance**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invested in Capital Assets (minus depreciation)</td>
<td>$_________</td>
</tr>
<tr>
<td>Reserved for Encumbrances</td>
<td>$_________</td>
</tr>
<tr>
<td>Reserved for Inventory</td>
<td>$_________</td>
</tr>
<tr>
<td>Undesignated/Unreserved Funds</td>
<td>$_________</td>
</tr>
<tr>
<td><strong>Total Fund Balance</strong></td>
<td>$_________</td>
</tr>
<tr>
<td><strong>Total Liabilities and Fund Balance</strong></td>
<td>$_________</td>
</tr>
</tbody>
</table>
Assets Definitions

Cash
This item consists of cash deposited in banks, cash in the custody of cashiers, and petty cash.

Sales Tax Collected
This is the tax money collected for the state government on goods/services purchased.

Investments
Certificates of Deposit and other investments are included in this item.

Accounts Receivable
These are funds owed to the school foodservice program for services rendered with promise to pay. Examples are special school events, catered services, contract meals, etc.

Funds Due From Federal, State, and Local Sources
Funds due to the school foodservice program for reimbursable meals, state matching funds, or local funds provided by the school district are included in this category.

Inventories
This includes values of purchased food, supplies, and commodities held for future use.

Noncurrent Assets
An asset which is not easily convertible to cash within the next year. Examples include fixed assets, such as furniture and major equipment.

Accumulated Depreciation
A method to account for assets whose value is considered to decrease over time. The cost associated with the acquisition and installation of the asset is allocated over the estimated useful life of the asset.

Liabilities Definitions

Accounts Payable
This is the amount the school foodservice program owes for goods and services purchased (unpaid bills).

Accrued Salaries, Wages and Benefits
These are salaries, wages, and benefits owed, but not paid until after the balance sheet date. Example - In some school districts, salaries are earned in nine or ten months but spread over twelve months; thus some salaries paid on July 31 may have actually been earned (accrued) by the end of May.

Due to Other School District Funds
These funds are due to the school district for payments made on behalf of the foodservice operation.

Deferred Revenue
This category can be used to classify amounts received in advance for meals and other food services.

Taxes owed to State Commission
This is tax money collected and paid to the state government on goods and services purchased.
Fund Balance Definitions

Reserved for Encumbrances
This reflects the amount of the fund balance reserved for outstanding purchase orders.

Reserved for Inventories
The value of inventories of foods and supplies under assets is recorded here.

Invested in Capital Assets (minus depreciation)
This account is used to record the net assets in capital assets which represents total capital assets less accumulated depreciation. Examples include major equipment and furniture.

Unreserved Fund Balance
This is the excess of the assets of a fund over its liabilities, fund reserves, and designations.
SECTION 3
Supplemental Schedules
This section contains supplemental schedules to support the completion of the Statement of Revenue and Expenditures shown in Section 2. These supplemental schedules are designed to help school foodservice administrators to identify potential sources of revenue and expenditures. The schedules also provide a guide for recording financial data in a manner that allows school foodservice programs to capture revenues, expenditures, and other pertinent information in a consistent and standardized format for use in financial decision-making. The schedules are designed as management tools for the school foodservice administrator and are not required in financial reporting. Each administrator will need to decide how much of the information will be made available to other interested parties. School food authorities are required to report financial information periodically to the state agencies. Local school boards may require monthly reports. The required information is usually reflected by the summary figures that appear on the Statement of Revenue and Expenditures and/or Balance Sheet.

The following points are important to remember when reviewing the supplemental schedules in Section 3:

• The detail included in each schedule will depend on the complexity of the school foodservice operation.

• Schedules are designed to be inclusive of all school foodservice revenues or expenditures. Whether a given foodservice operation should or should not have revenue or expenditures in these categories is a local decision.

• School foodservice administrators should tailor the schedules by adding or deleting line items to match the situation in their school districts. Once adapted, schedules must remain consistent from one accounting period to the next. This permits school foodservice administrators to make meaningful comparisons.

• All changes in schedules must remain consistent with generally accepted accounting principles. If a given line item in a schedule is pertinent to the foodservice operation in question, all calculations using that item must be followed as indicated to maintain consistency in financial analysis.

• The schedules can assist school districts in assigning program costs appropriately. Once a cost has been assigned to an item on a schedule, it cannot be assigned to an item on another schedule in a different category. This will help prevent duplication of costs as both direct and indirect.

### Schedule and Definition Format

This section on supplemental schedules is divided into revenue and expenditure categories. Under each category, there are supporting schedules for each source of revenue and type of expenditure. Each schedule is followed by a list of definitions for the revenue sources or expenditure items listed in the schedule, along with examples. The appropriate supporting schedule should be prepared for each category shown on the Statement of Revenue and Expenditures.

The suggested schedules are presented as guidance to school foodservice administrators in an effort to establish a uniform financial management information system. Line items will vary according to the needs and requirements of individual school districts and states. Of course, it would be impossible to design a single model for every situation that might exist in a school district. Therefore, the items listed on the supplemental revenue and expenditure schedules may not apply to every foodservice operation. Individual school districts should record data pertinent to that district and delete items listed on the schedule that are not relevant.

The recommendations in this uniform financial management information system are based on a consensus of school foodservice administrators, school business officials, state agency directors, public accounting authorities, and are consistent with generally accepted accounting principles.
## Revenue

### Schedules and Definitions

<table>
<thead>
<tr>
<th>CONTENTS</th>
<th>Schedule</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Source Revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student Meal Sales</td>
<td>R-1</td>
<td>26</td>
</tr>
<tr>
<td>Adult Meal Sales</td>
<td>R-2</td>
<td>28</td>
</tr>
<tr>
<td>Contract Meal Sales</td>
<td>R-3</td>
<td>29</td>
</tr>
<tr>
<td>Other Sales</td>
<td>R-4</td>
<td>30</td>
</tr>
<tr>
<td>Other Local Source</td>
<td>R-5</td>
<td>32</td>
</tr>
<tr>
<td>Interest</td>
<td>R-6</td>
<td>33</td>
</tr>
<tr>
<td>Miscellaneous Other Revenue</td>
<td>R-7</td>
<td>34</td>
</tr>
<tr>
<td>State Source Revenue</td>
<td>R-8</td>
<td>35</td>
</tr>
<tr>
<td>Federal Source Revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reimbursement Funds</td>
<td>R-9a</td>
<td>37</td>
</tr>
<tr>
<td>Special Federal Programs</td>
<td>R-9b</td>
<td>38</td>
</tr>
<tr>
<td>Fund Transfer-In</td>
<td>R-10</td>
<td>40</td>
</tr>
</tbody>
</table>
# Revenues – Student Meal Sales

## Schedule R-1

For the period of ______________

<table>
<thead>
<tr>
<th>Student Meals</th>
<th>Price</th>
<th>Number</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full Paid Breakfast</td>
<td></td>
<td></td>
<td>$_________</td>
</tr>
<tr>
<td>Prepaid Breakfast</td>
<td></td>
<td></td>
<td>$_________</td>
</tr>
<tr>
<td>Breakfast Charges Collected</td>
<td></td>
<td></td>
<td>$_________</td>
</tr>
<tr>
<td>Reduced Paid Breakfast</td>
<td></td>
<td></td>
<td>$_________</td>
</tr>
<tr>
<td>Prepaid Reduced Breakfast</td>
<td></td>
<td></td>
<td>$_________</td>
</tr>
<tr>
<td>Reduced Charges Collected</td>
<td></td>
<td></td>
<td>$_________</td>
</tr>
<tr>
<td><strong>Total Breakfast Revenue</strong></td>
<td></td>
<td></td>
<td>$_________</td>
</tr>
<tr>
<td>Full Paid Lunch</td>
<td></td>
<td></td>
<td>$_________</td>
</tr>
<tr>
<td>Prepaid Lunch</td>
<td></td>
<td></td>
<td>$_________</td>
</tr>
<tr>
<td>Lunch Charges Collected</td>
<td></td>
<td></td>
<td>$_________</td>
</tr>
<tr>
<td>Reduced Paid Lunch</td>
<td></td>
<td></td>
<td>$_________</td>
</tr>
<tr>
<td>Prepaid Reduced Lunch</td>
<td></td>
<td></td>
<td>$_________</td>
</tr>
<tr>
<td>Reduced Charges Collected</td>
<td></td>
<td></td>
<td>$_________</td>
</tr>
<tr>
<td><strong>Total Lunch Revenue</strong></td>
<td></td>
<td></td>
<td>$_________</td>
</tr>
<tr>
<td>Afterschool Snack Full Paid</td>
<td></td>
<td></td>
<td>$_________</td>
</tr>
<tr>
<td>Snack Reduced Paid</td>
<td></td>
<td></td>
<td>$_________</td>
</tr>
<tr>
<td>Snack Prepaid – Full</td>
<td></td>
<td></td>
<td>$_________</td>
</tr>
<tr>
<td>Snack Prepaid – Reduced</td>
<td></td>
<td></td>
<td>$_________</td>
</tr>
<tr>
<td>Full Paid Charge Collected</td>
<td></td>
<td></td>
<td>$_________</td>
</tr>
<tr>
<td>Reduced Charge Collected</td>
<td></td>
<td></td>
<td>$_________</td>
</tr>
<tr>
<td><strong>Total Snack Revenue</strong></td>
<td></td>
<td></td>
<td>$_________</td>
</tr>
<tr>
<td><strong>Total Student Meals Sales Revenue</strong></td>
<td></td>
<td></td>
<td>$_________</td>
</tr>
</tbody>
</table>
Definitions

Revenue - Students Meals

**Full Paid Meals**
These are reimbursable school meals served to students who must pay full price. These meals include breakfast, lunch, and afterschool care program snacks. Meals are reported as full paid when money is collected at the point of service (POS).

**Reduced Price Meals**
These are all school meals served to students who are eligible to receive reduced price meal benefits under USDA eligibility guidelines.

**Prepaid Meals**
These are reimbursable school meals, full or reduced price, which are paid for in advance. Revenue from these meals is reported as deferred revenue and is considered a liability on the balance sheet. Once the meals are reported as served, the revenue is reported as student meal sales.

**Meal Charges Collected**
Money collected for meals obtained on credit is recorded under this category. The meals are counted and claimed for reimbursement at the time they are served.

**Afterschool Care Program Snacks**
This is the cash payment received for snacks served to paying children in certain afterschool care programs. The share of the snack price paid by students who are eligible for reduced snacks is also included in this category.
### Revenue - Sale of Adult Meals

**Schedule R-2**

*For the period of _______________

<table>
<thead>
<tr>
<th>Adult Meal Sales-Breakfast</th>
<th>Price</th>
<th>Number</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>School District Employees</td>
<td>_______</td>
<td>_______</td>
<td>$_________</td>
</tr>
<tr>
<td>Guest Adult Meals</td>
<td>_______</td>
<td>_______</td>
<td>$_________</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Adult Meal Sales-Lunch</th>
<th>Price</th>
<th>Number</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>School District Employees</td>
<td>_______</td>
<td>_______</td>
<td>$_________</td>
</tr>
<tr>
<td>Guest Adult Meals</td>
<td>_______</td>
<td>_______</td>
<td>$_________</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>_______</td>
<td>_______</td>
<td>$_________</td>
</tr>
</tbody>
</table>

*Note: If you are in a state that requires sales tax collection on adult sales, you may want to customize this schedule to reflect the amount of sales tax collected.*

### Definitions

**Adult Meals***

*All adult meals should be, at a minimum, the cost to produce the meal + commodities + taxes if applicable.

**School District Employees**

This category includes meals sold to the school district’s adult employees. Meal prices to employees are often less than meal prices charged to guests.

**Guest Adult Meals**

These are meals sold to adults, such as parents, who are invited to eat at school, but pay a different meal price than school employee adults.
Revenue - Contract Sales
Schedule R-3
For the period of _______________

<table>
<thead>
<tr>
<th>Contract Sales - Schedule R-3</th>
<th>$__________</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private Schools/Agencies</td>
<td>$__________</td>
</tr>
<tr>
<td>Contracted Child Nutrition Programs</td>
<td>$__________</td>
</tr>
<tr>
<td>Elderly Nutrition Programs</td>
<td>$__________</td>
</tr>
<tr>
<td>Detention Centers</td>
<td>$__________</td>
</tr>
<tr>
<td>Other</td>
<td>$__________</td>
</tr>
<tr>
<td>Total Contract Sales</td>
<td>$__________</td>
</tr>
</tbody>
</table>

Definitions
Contract Sales

Private Schools/Agencies
These are entities or organizations such as private schools, private day care centers, etc. that contract with school districts to provide reimbursable school meals.

Contracted Child Nutrition Programs
These are nutrition programs sponsored by federal, state, or local governments to benefit children. Sponsoring organizations may contract with school districts for meal service. Examples are: Head Start and Child Day Care Meals.

Elderly Nutrition Programs
These nutrition programs are sponsored by federal, state, or local governments to improve the nutritional well-being of elderly adults. Sponsors may contract with school districts to provide meals. Examples are: Meals on Wheels, Senior Citizen Meals, Adult Day Care, etc.

Detention Centers
Meals served in nutrition programs for inmates in adult detention centers, juvenile detention centers, etc. are included in this category.

Other
Contracted meals provided to individuals or organizations outside the school district that are not accounted for in any of the previously discussed items are included in this category.
## Revenue - Other Food Sales

**Schedule R-4**

*For the period of _____________*

<table>
<thead>
<tr>
<th>Other Food Sales - Schedule R-4</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A la carte</strong></td>
<td></td>
</tr>
<tr>
<td>Extra Meal components</td>
<td>$</td>
</tr>
<tr>
<td>Extra Student Meals</td>
<td>$</td>
</tr>
<tr>
<td>Other a la carte</td>
<td>$</td>
</tr>
<tr>
<td>Snacks (non-reimbursable such as kindergarten)</td>
<td>$</td>
</tr>
<tr>
<td>Special School Functions</td>
<td>$</td>
</tr>
<tr>
<td>Catering</td>
<td>$</td>
</tr>
<tr>
<td>Vending Machines</td>
<td>$</td>
</tr>
<tr>
<td>Concessions</td>
<td>$</td>
</tr>
<tr>
<td><strong>Total Other Food Sales</strong></td>
<td>$</td>
</tr>
</tbody>
</table>

### Definitions

**Other Cash Food Sales**

#### A la carte
This may be used as the overall category for items that are priced and sold separately from a reimbursable meal.

#### Extra Meal Components
These items are components of the reimbursable meal that are available for students to purchase separately.

#### Extra Meals to Students
Second meals sold to students who have purchased a reimbursable meal must be classified as non-reimbursable food.

#### Other A la carte
Non-reimbursable food items sold separately from a reimbursable meal are generally included under this item.
**Snacks (Non-reimbursable)**
These are items sold outside the school meal programs or federal after-school care program. They include snacks provided to students during break or items sold after school.

**Special School Functions**
This category is for meal events or refreshments that are provided to other school departments for special school functions or events.

**Catering**
This includes foodservice events provided to groups or organizations outside the school district for a pre-determined price. Events are catered on a per-request basis and are priced based on menu and service requested.

**Vending Machines**
Items sold from cafeteria-operated vending machines or commissions from vended food sales are recorded in this category.

**Concessions**
Items sold at concession stands operated by the school food service department should be recorded under this category to allow ease in tracking.
**Revenue - Other Local Funds**  
*Schedule R-5*  
*For the period of______________*

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Local Funds</td>
<td>$______________</td>
</tr>
<tr>
<td>Local Government Aid</td>
<td>$______________</td>
</tr>
<tr>
<td>Local Grants</td>
<td>$______________</td>
</tr>
<tr>
<td>Contributions</td>
<td>$______________</td>
</tr>
<tr>
<td><strong>Total Other Local Funds</strong></td>
<td>$______________</td>
</tr>
</tbody>
</table>

**Definitions**  
**Other Local Funds**

**Local Government Aid**
These are funds, such as local subsidies for salaries or other labor costs, paid to the school foodservice program from the local city or county government.

**Local Grants**
This is grant money awarded to the school foodservice program by local companies, industries, etc., to support special projects and activities are recorded under this category.

**Contributions**
This item includes money contributed to the school foodservice program by local organizations, groups, individuals, etc., for program support or special activities.
Revenue - Interest Earned
Schedule R-6
For the period of ______________

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest-Bearing Bank Accounts</td>
<td>$______</td>
</tr>
<tr>
<td>Certificates of Deposit</td>
<td>$______</td>
</tr>
<tr>
<td>Money Market Accounts</td>
<td>$______</td>
</tr>
<tr>
<td>Long Term Investments</td>
<td>$______</td>
</tr>
<tr>
<td>School District (Temporary Loans)</td>
<td>$______</td>
</tr>
<tr>
<td><strong>Total Other Local Funds</strong></td>
<td>$______</td>
</tr>
</tbody>
</table>

Definitions

Interest Earned

Interest-Bearing Bank Accounts
These checking accounts pay interest on the cash balance of the account. It is not uncommon for such accounts to have a monthly maintenance fee. Because the interest rate is variable, earning should be monitored to ensure that the monthly maintenance fee does not exceed earnings.

Certificate of Deposit (CD)
This is a high-yield savings account with limited accessibility to the principal without affecting earnings. Interest rates are based on the length of time the money is on deposit with longer terms yielding higher interest earnings.

Money Market Accounts
This is a checking account that pays a higher interest rate than a regular checking account. A monthly minimum balance is required.

Long Term Investments
The principal is committed for a specific period of time. The investment is higher than normal checking and saving accounts.

School District (Temporary Loans)
This is interest earned on funds loaned to the school district. Note: Foodservice funds may be loaned to the district on a short-term basis only (a school year). The district should pay interest at the prevailing loan rate. The loan agreement should contain such stipulations as the purpose, interest rate (simple or compounded), the repayment schedule for the principal and interest, and penalties for late payment.
# Revenue - Miscellaneous Other Revenue

## Schedule R-7

*For the period of ______________*

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sale of Surplus Equipment</td>
<td>$__________</td>
</tr>
<tr>
<td>Food Rebate (Prior Year) *</td>
<td>$__________</td>
</tr>
<tr>
<td>Other</td>
<td>$__________</td>
</tr>
<tr>
<td><strong>Total Miscellaneous Revenue</strong></td>
<td>$__________</td>
</tr>
</tbody>
</table>

*Include only food rebates on food purchased the previous year. Rebates received in the current year are treated as reductions of food costs and should NOT be included here.

### Definitions

#### Miscellaneous Other Revenue

**Sale of Surplus Equipment**

This item covers surplus equipment that is sold to an outside entity. The equipment may be declared surplus when new equipment is purchased or when a district closes a school.

**Rebates on Purchased Food (Prior Year)**

These are discounts offered from food companies in the form of rebates that are received by the school foodservice program after the fiscal year has closed. If the rebate occurs in the current year, the administrator should reduce this year’s expenditures.

**Other**

Funds received and not classified or included elsewhere should be recorded here.
### Revenue – State Sources

**Schedule R-8**

*For the period of ________________*

<table>
<thead>
<tr>
<th>Student Meals</th>
<th>Rate</th>
<th>Number</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Free Breakfast</td>
<td>________</td>
<td>________</td>
<td>$_________</td>
</tr>
<tr>
<td>Reduced Breakfast</td>
<td>________</td>
<td>________</td>
<td>$_________</td>
</tr>
<tr>
<td>Paid Breakfast</td>
<td>________</td>
<td>________</td>
<td>$_________</td>
</tr>
<tr>
<td>Free *SN Breakfast</td>
<td>________</td>
<td>________</td>
<td>$_________</td>
</tr>
<tr>
<td>Reduced SN Breakfast</td>
<td>________</td>
<td>________</td>
<td>$_________</td>
</tr>
</tbody>
</table>

**Total Breakfast Revenue**  

$_________

<table>
<thead>
<tr>
<th>Student Meals</th>
<th>Rate</th>
<th>Number</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Free Lunch</td>
<td>________</td>
<td>________</td>
<td>$_________</td>
</tr>
<tr>
<td>Reduced Lunch</td>
<td>________</td>
<td>________</td>
<td>$_________</td>
</tr>
<tr>
<td>Paid Lunch</td>
<td>________</td>
<td>________</td>
<td>$_________</td>
</tr>
</tbody>
</table>

**Total Lunch Revenue**  

$_________

State Funds (matching)  

$_________

State Milk Reimbursement  

$_________

State Grant Money  

$_________

Other State Revenue  

$_________

**Total Other Revenue**  

$_________

**Total State Revenue**  

$_________

SN – Severe Need
Definitions

State Revenue Sources*

*State revenue sources will vary, in both amounts and methods used for calculation, from state to state. In some states, there may be additional revenue categories. School foodservice administrators should modify Schedule R-1 to reflect the reporting requirements for their state or district.

Meal Reimbursement
This is the cash payment from the state for the reimbursable meal.

Matching Funds
These are state-appropriated revenues paid to school districts for use in the school foodservice program. Matching funds are required by USDA. (Note: The method for calculating this item can differ from state to state.)

Special Milk Reimbursement
This is the cash payment from the state for milk served to children in eligible schools and agencies that do not participate in other school foodservice programs.

Grants
Grant money awarded to school districts for special projects and activities under state guidelines is recorded under this category. Examples are: Breakfast Start-Up, Summer Feeding, and Technology Grants.

Other Funds
State Funds received and not classified or included elsewhere, such as state money provided for equalization of school foodservice employees' salaries.
### Revenue - Reimbursement of Federal Funds
**Schedule R-9a**
*For the period of ________________*

<table>
<thead>
<tr>
<th>Reimbursement</th>
<th>Rate</th>
<th>Number</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular Free breakfast</td>
<td></td>
<td></td>
<td>$__________</td>
</tr>
<tr>
<td>Reduced breakfast</td>
<td></td>
<td></td>
<td>$__________</td>
</tr>
<tr>
<td>Paid breakfast</td>
<td></td>
<td></td>
<td>$__________</td>
</tr>
<tr>
<td>Severe Need (SN) Breakfast</td>
<td></td>
<td></td>
<td>$__________</td>
</tr>
<tr>
<td>Free SN</td>
<td></td>
<td></td>
<td>$__________</td>
</tr>
<tr>
<td>Reduced SN</td>
<td></td>
<td></td>
<td>$__________</td>
</tr>
<tr>
<td><strong>Total Breakfast Revenue</strong></td>
<td></td>
<td></td>
<td>$__________</td>
</tr>
<tr>
<td>Free lunch</td>
<td></td>
<td></td>
<td>$__________</td>
</tr>
<tr>
<td>Reduced lunch</td>
<td></td>
<td></td>
<td>$__________</td>
</tr>
<tr>
<td>Paid lunch</td>
<td></td>
<td></td>
<td>$__________</td>
</tr>
<tr>
<td><strong>Total Lunch Revenue</strong></td>
<td></td>
<td></td>
<td>$__________</td>
</tr>
<tr>
<td>Special Milk (SM)</td>
<td></td>
<td></td>
<td>$__________</td>
</tr>
<tr>
<td>Free 1/2 pints</td>
<td></td>
<td></td>
<td>$__________</td>
</tr>
<tr>
<td>Paid 1/2 pints</td>
<td></td>
<td></td>
<td>$__________</td>
</tr>
<tr>
<td><strong>Total SM Revenue</strong></td>
<td></td>
<td></td>
<td>$__________</td>
</tr>
<tr>
<td>Afterschool Care Snacks</td>
<td></td>
<td></td>
<td>$__________</td>
</tr>
<tr>
<td>Free</td>
<td></td>
<td></td>
<td>$__________</td>
</tr>
<tr>
<td>Reduced</td>
<td></td>
<td></td>
<td>$__________</td>
</tr>
<tr>
<td>Paid</td>
<td></td>
<td></td>
<td>$__________</td>
</tr>
<tr>
<td><strong>Total Reimbursable Snack Revenue</strong></td>
<td></td>
<td></td>
<td>$__________</td>
</tr>
<tr>
<td>Cash in Lieu of Commodities</td>
<td></td>
<td></td>
<td>$__________</td>
</tr>
<tr>
<td><strong>Total Reimbursement Federal Funds</strong></td>
<td></td>
<td></td>
<td>$__________</td>
</tr>
</tbody>
</table>
Federal Funds continued
Revenue - Federal Funds - Special Programs
Schedule R-9b
For the period of ________________

<table>
<thead>
<tr>
<th>Special Program Federal Funds - Schedule R-9b</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Donated Commodities</td>
<td>$______</td>
</tr>
<tr>
<td>Commodity Letter of Credit</td>
<td>$______</td>
</tr>
<tr>
<td>Grants (Federal)</td>
<td>$______</td>
</tr>
<tr>
<td>Summer Food Service Program</td>
<td>$______</td>
</tr>
<tr>
<td>Child and Adult Care Food Program</td>
<td>$______</td>
</tr>
<tr>
<td>Other Federal Programs</td>
<td>$______</td>
</tr>
<tr>
<td><strong>Total Special Programs Federal Funds</strong></td>
<td>$______</td>
</tr>
<tr>
<td><strong>Total Federal Revenue - Schedule R-9 (a &amp; b)</strong></td>
<td>$______</td>
</tr>
</tbody>
</table>

**Definitions**

**Federal Funds**

**Meal Reimbursement**
This is the Federal cash payment received for breakfast and lunch meals that meet federal standards and are served to eligible children. The amount received is based on the meal definition (breakfast or lunch), category (free, reduced, or paid) and school economic status (regular, severe need).

**Special Milk Reimbursement**
This is the Federal cash payment received for half pints of milk served to eligible kindergarten or preschool children who do not have access to the federal lunch or breakfast program.

**Afterschool Care Program Snack Service**
Federal cash reimbursements for snacks served to children and youth in certain afterschool care programs. The school site for the afterschool care program must participate in the NSLP.

**Donated Commodity Value**
This is the value of donated commodities received during the reporting period.
Cash in Lieu of Commodities
Federal funds that are paid to school districts in certain states to purchase specified food items from vendors in lieu of receiving donated commodities.

Commodity Letter of Credit
This refers to the value of products used during that period.

Grants
This item includes grant money awarded to school districts who submit successful proposals for special projects and activities.

Summer Food Service Program
Funds paid to schools that participate in the federal summer feeding program are recorded under this category.

Child and Adult Care Food Program (CACFP)
Funds paid to schools who participate in the federally funded CACFP are recorded under this category.

Other Federal Programs
These are other federally funded school foodservice programs administered by the local School Food Authority.
Revenue - Transfer of General Funds
Schedule R-10
For the period of ______________

<table>
<thead>
<tr>
<th>Transfers - Schedule R-10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfer of General Funds</td>
</tr>
</tbody>
</table>

**Definition**

**Transfer of General Funds**

Funds transferred to the school foodservice operation from other school district funds.
# Expenditures

## Schedules and Definitions

<table>
<thead>
<tr>
<th>CONTENTS</th>
<th>Schedule</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries &amp; Wages</td>
<td>E-1</td>
<td>42</td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>E-2</td>
<td>45</td>
</tr>
<tr>
<td>Purchased Professional and Technical Services</td>
<td>E-3</td>
<td>47</td>
</tr>
<tr>
<td>Property Operation, Maintenance, &amp; Energy</td>
<td>E-4</td>
<td>50</td>
</tr>
<tr>
<td>Food and Donated Commodities</td>
<td>E-5</td>
<td>52</td>
</tr>
<tr>
<td>Purchased Food</td>
<td>E-5a</td>
<td>53</td>
</tr>
<tr>
<td>Donated Commodities</td>
<td>E-5-b</td>
<td>53</td>
</tr>
<tr>
<td>General Supplies</td>
<td>E-6a</td>
<td>55</td>
</tr>
<tr>
<td>Food Production Supplies</td>
<td>E-6b</td>
<td>55</td>
</tr>
<tr>
<td>Capital Equipment</td>
<td>E-7</td>
<td>58</td>
</tr>
<tr>
<td>Miscellaneous Expenditures</td>
<td>E-8</td>
<td>60</td>
</tr>
<tr>
<td>Indirect Costs</td>
<td>E-9</td>
<td>62</td>
</tr>
<tr>
<td>Fund Transfer</td>
<td>E-9</td>
<td>62</td>
</tr>
</tbody>
</table>
### Expenditures - Salaries and Wages

**Schedule E-1**

*For the period of ________________*

<table>
<thead>
<tr>
<th>Category</th>
<th>Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>School Foodservice Administration</strong></td>
<td></td>
</tr>
<tr>
<td>Foodservice Administrators</td>
<td>$_________</td>
</tr>
<tr>
<td>Accounting/General Office Personnel</td>
<td>$_________</td>
</tr>
<tr>
<td><strong>School Foodservice Operating Staff</strong></td>
<td></td>
</tr>
<tr>
<td>Managers</td>
<td>$_________</td>
</tr>
<tr>
<td>Cooks/Cashiers</td>
<td>$_________</td>
</tr>
<tr>
<td>Foodservice Workers/Helpers</td>
<td>$_________</td>
</tr>
<tr>
<td>Cafeteria Monitors/Supervision Personnel</td>
<td>$_________</td>
</tr>
<tr>
<td>Substitute</td>
<td>$_________</td>
</tr>
<tr>
<td>Overtime</td>
<td>$_________</td>
</tr>
<tr>
<td>Student Labor</td>
<td>$_________</td>
</tr>
<tr>
<td>Drivers/Satellite Locations</td>
<td>$_________</td>
</tr>
<tr>
<td><strong>SFS Maintenance/Custodial</strong></td>
<td></td>
</tr>
<tr>
<td>Repair</td>
<td>$_________</td>
</tr>
<tr>
<td>Custodial</td>
<td>$_________</td>
</tr>
<tr>
<td><strong>SFS Warehouse Personnel</strong></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>$_________</td>
</tr>
<tr>
<td><strong>Total Salaries and Wages</strong></td>
<td>$_________</td>
</tr>
</tbody>
</table>
Definitions

Administrative and General

School Foodservice Administration
These positions are associated with the responsibilities of administering the school foodservice operation. In the FMIS model, they are considered part of the central office staff.

• **Foodservice Administrators** - The salaries and wages charged directly to the foodservice program for the administrator, assistants to the administrator, school district area supervisors, nutrition coordinators, school foodservice purchasing agents, and other employees in positions associated with administrative duties are recorded under this category.

• **Accounting/General Office** - This item includes salaries and wages for bookkeepers, payroll clerks, secretaries, receptionists, etc., that are charged directly to the foodservice program.

School Foodservice Operating Staff
These positions are associated with producing and serving food, including cleanup and delivery to satellite locations.

• **Managers** - Salaries/wages paid to employees who manage the foodservice program at the school site are recorded in this category.

• **Cooks/Cashiers** - This item includes salaries and wages paid to school foodservice employees who are responsible for all preparation and serving (including meal count) duties in the school foodservice operation.

• **Foodservice Workers/Helpers** - This category represents wages paid to foodservice employees at the school level for duties other than food production, i.e., dishwashers.

• **Substitute/Temporary Wages** - Full-time, part-time, and prorated portions of the costs for work performed by employees of the school district who are hired on a temporary or substitute basis. This may include wages paid to regular employees for work performed outside the time considered to be a regular day until it exceeds 40 hours per week, at which time it becomes overtime.

• **Overtime** - Amounts paid to employees of the school district in either temporary or permanent positions for work performed in addition to the normal work period for which the employee is compensated under regular salaries/wages. The terms of payment for overtime is a matter of state and local regulations.

• **Student Labor** - This item refers to compensation paid to student workers.

• **Drivers/Satellite Locations** - The salaries/wages paid to truck drivers and assistants whose only duties are to deliver meals to satellite locations are recorded in this category. If they have other duties in the program or school district, then the portion of salary for time spent on other duties should be assigned to the appropriate category.
**SFS Maintenance/Custodial**

This item refers to positions associated with maintenance, repair, and upkeep of school foodservice facilities.

- **Repair** - This item includes salaries and wages paid to district employees from school foodservice funds for repair to school foodservice equipment/facilities. Such employees include refrigeration mechanics, painters, carpenters, etc.

- **Custodial** - Salaries and wages paid to school personnel for upkeep, maintenance, and general housekeeping duties are included under this category. Employees at the school level may include the custodian, janitor, and repair technician.

**SFS Warehouse Personnel**

Salaries and wages paid to employees for duties associated with the cafeteria products that are delivered to and stored in a school district warehouse. It can include the warehouse manager, receiving clerk, delivery personnel, etc.

**Other**

This category is used to record other salaries and wages that are not accounted for in any of the previously discussed items. This may include prorated or transferred salaries charged to the school foodservice funds for a portion of another school employee’s time.
Expenditures - Benefits  
Schedule E-2  
For the period of ______________

<table>
<thead>
<tr>
<th>Benefits - Schedule E-2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Security (FICA)</td>
</tr>
<tr>
<td>Medicare Liability</td>
</tr>
<tr>
<td>Retirement Contribution</td>
</tr>
<tr>
<td>Group Insurance (health, life, etc.)</td>
</tr>
<tr>
<td>Workers’ Compensation</td>
</tr>
<tr>
<td>Unemployment Compensation</td>
</tr>
<tr>
<td>Personal Leave/Vacation/Sick Pay</td>
</tr>
<tr>
<td>Medical Expense (Not covered by insurance)</td>
</tr>
<tr>
<td>Employee Uniforms</td>
</tr>
<tr>
<td>Employee Meals</td>
</tr>
<tr>
<td>Tuition Reimbursement</td>
</tr>
<tr>
<td><strong>Total Benefit Expense</strong></td>
</tr>
</tbody>
</table>

Definitions  
Employee Benefits*

*Employee benefits are expenses paid from the school foodservice account for fringe benefits received by school district employees. They may vary from one school district to another and from state to state.

Social Security (FICA)
This is a federal retirement tax paid by employers. The rate is set as a percentage of salaries and wages paid. Only the employer’s share should be reported.

Medicare Liability
This category is for recording the employer’s matching contribution to FICA for employee Medicare benefits.
**Retirement**
The cost of contributions paid by the school foodservice fund to employee pension plans should be recorded in this category.

**Group Insurance**
This item includes costs to the school foodservice program for contributions or premiums paid for employee insurance such as health, hospitalization, dental, accident and/or life.

**Workers’ Compensation**
This is the cost of contributions made by the school foodservice program to an insurance program that provides benefits to employees who suffer job-related injuries and illness.

**Unemployment Compensation**
This item includes the contribution by employers to the unemployment funds required by unemployment compensation laws.

**Personal Leave/Vacation/Sick Pay**
This item is used to report the portion of salary/wages expended for compensation to employees while absent from work due to vacation, personal leave, sick leave, bereavement, or jury duty.

**Medical Expense (Not covered by insurance)**
This item includes expenditures for employee accidents or health concerns that are work-related, but not covered by insurance programs, excluding Workers’ Compensation.

**Employee Uniforms**
Expenditures paid by the school foodservice program for uniforms, shoes, etc., for cafeteria employees are included in this category.

**Employee Meals**
This is the cost of school meals eaten by school foodservice employees.

**Tuition Reimbursement**
Reimbursement of expenses for educational purposes should be included under this item.
### Expenditures – Purchased Professional and Technical Services

**Schedule E-3**

*For the period of _______________

<table>
<thead>
<tr>
<th>Purchased Services - Schedule E-3</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Technology Services</td>
<td>$____</td>
</tr>
<tr>
<td>Communication</td>
<td>$____</td>
</tr>
<tr>
<td>Consultant/Technical Service Fees</td>
<td>$____</td>
</tr>
<tr>
<td>Custodial &amp; Maintenance Contracts</td>
<td>$____</td>
</tr>
<tr>
<td>Laundry and Linen Services</td>
<td>$____</td>
</tr>
<tr>
<td>Food Service Management Fees</td>
<td>$____</td>
</tr>
<tr>
<td>Property Insurance</td>
<td>$____</td>
</tr>
<tr>
<td>Printing</td>
<td>$____</td>
</tr>
<tr>
<td>Advertisement</td>
<td>$____</td>
</tr>
<tr>
<td>Legal</td>
<td>$____</td>
</tr>
<tr>
<td>Human Resource Services</td>
<td>$____</td>
</tr>
<tr>
<td>Rental Fees</td>
<td>$____</td>
</tr>
<tr>
<td>Other</td>
<td>$____</td>
</tr>
<tr>
<td><strong>Total Purchased Services</strong></td>
<td>$____</td>
</tr>
</tbody>
</table>

### Definitions

**Purchased Services (Professional/Technical)**

**Technology Services**

This refers to the cost of data processing services, including fees paid to data processing professionals. Other costs include contract fees for computer support, computer systems analysts, annual subscription fees for software, license fees, costs of hardware maintenance, and other related service fees.

**Note**

The expenditures included in this schedule are costs for services and contracts with vendors outside of the school foodservice personnel.
**Communication**

These costs are associated with communication services, including telephone services, cell phones, fax machines, beepers and beeper services, Internet access providers, and two-way radios.

**Consultant/Technical Service Fees**

This item includes the costs of professional services such as public accountants and auditors, architects, professional consultants, nutrition analysts, and physicians. Technical services fees include required inspection fees such as health department and permit fees, safety inspection and permit fees, and environmental compliance fees.

**Custodial and Maintenance Contracts**

This item includes the costs of services and contracts not provided by the foodservice department or school system. Examples are as follows:

- Kitchen hoods
- Pest control services
- Grease removal
- Floor cleaning/waxing
- Equipment maintenance
- Recycling pick-up service
- Window washing
- Waste removal
- Fire extinguishers

**Laundry and Linen Services**

This item includes the costs of contracting with an outside vendor for laundry services for the school foodservice operation. It may include the cost of dry cleaning curtains and draperies associated with the foodservice operation.

**Food Service Management Fees**

Fees charged by an organization for management or supervision of the whole or part of the school foodservice operation. Included are contract management company fees and shared management fees. For example, several school districts may enter into a cooperative purchasing agreement whereby one school district assumes all administrative duties related to purchasing and the other districts pay for the service through a fee system.

**Property Insurance**

This item includes the costs of insurance premiums for liability, theft coverage, lost or damaged goods, performance bonds, fire and weather. Postal insurance for shipped or mailed items may be included in this category.

**Printing**

Costs for services to print school menus, eligibility applications, handbooks, forms, and other materials necessary for the operation of the school foodservice program are recorded under this category. The cost for binding and other related services is also included.

**Advertising**

Advertisements for job vacancies, invitations to bid, etc. are included in this line item.

**Legal**

This item includes legal fees for retaining an attorney.
**Human Resource Services**

This item includes costs of employee services including drug screening, background checks, fingerprinting, and medical exams required for employment. It may include employee assistance counseling and similar services.

**Rental Fees**

This item covers costs for renting storage facilities in a commercial warehouse or for specialized equipment rented from a commercial rental company.

**Other**

Other professional or technical service fees or costs that are not accounted for in any of the previously discussed items are included in this line item.
Expenditures - Property Operation, Maintenance & Energy
Schedule E-4
For the period of ____________

<table>
<thead>
<tr>
<th>Property Operation, Maintenance &amp; Energy - Schedule E-4</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Repair/Maintenance</td>
<td>$__________</td>
</tr>
<tr>
<td>Electricity</td>
<td>$__________</td>
</tr>
<tr>
<td>Fuel</td>
<td>$__________</td>
</tr>
<tr>
<td>Water</td>
<td>$__________</td>
</tr>
<tr>
<td>Security Services</td>
<td>$__________</td>
</tr>
<tr>
<td>Grounds and Landscaping</td>
<td>$__________</td>
</tr>
<tr>
<td><strong>Total Property Operations</strong></td>
<td>$__________</td>
</tr>
</tbody>
</table>

Before determining expenditures for this schedule, school foodservice administrators should refer to OMB Circular A-87 (Cost Principles for State, Local and Indian Tribal Governments). The circular makes the following statement under Maintenance, operations, and repairs on page 32.

Unless prohibited by law, the cost of utilities, insurance, security, upkeep of grounds, necessary maintenance, normal repairs and alterations, and the like are allowable to the extent that they (1) keep property in an efficient operating condition, (2) do not add to the permanent value of property or appreciably prolong its intended life, and (3) are not otherwise included in rental or other charges.

Definitions
Property Operation, Maintenance, & Energy

Many of the costs in this schedule are considered indirect costs. Indirect costs are costs that cannot be easily assessed as a direct cost because the amount must be prorated across supportive services and incidental supplies that are not easily identifiable with a specific program; i.e., utility costs. In such cases, the amount that can be treated as indirect costs is identified by an allocation method approved by the state agency or by an indirect cost rate resulting from an approved cost allocation plan.
Property Repair and Maintenance
This category expenditure includes costs paid for services to maintain the building, furnishings, equipment, and other expenses necessary to keep the school foodservice facilities in operating conditions. Examples of items to include are as follows:

- Walls and ceiling repairs
- Plumbing repairs
- Repairs to kitchen facilities
- Network wiring
- Floor repair/replacement
- Heating/air conditioning repairs
- Equipment repairs
- Furniture repair
- Electrical repairs
- Painting expenses

Electricity
This item includes the cost of electricity purchased from outside producers. Must be metered if allowed as a direct cost.

Fuel
This item includes the costs of oil, gas, and other types of fuel used for a facility.

Water
This item includes the costs of water purchased, sewage usage, water purification, and water tests.

Security Services
The costs of providing security alarm systems, hidden cameras, security guards and other security measures are to be recorded under this category. Also included are armored car and guard services.

Grounds and Landscaping
This item includes the costs of maintenance to the grounds or landscaping for outdoor patios or other school foodservice facilities.
**Expenditures - Food Costs**
*(Single Inventory)*

**Schedule E-5**

*For the period of ________________*

*The following schedule allows for the single inventory of both purchased food and donated commodities. For those schools that continue to inventory separately, see Schedules E-5a and E-5b.*

<table>
<thead>
<tr>
<th>Food Costs - Schedule E-5</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Purchased Food and Commodity Single Inventory</strong></td>
</tr>
<tr>
<td>Beginning Inventory</td>
</tr>
<tr>
<td>Total all Food Received</td>
</tr>
<tr>
<td>Less: Ending Inventory</td>
</tr>
<tr>
<td>Cost of Food Used</td>
</tr>
<tr>
<td>Less: Company Rebates</td>
</tr>
<tr>
<td>Food Cost</td>
</tr>
<tr>
<td>Commodity Processing Fees</td>
</tr>
<tr>
<td>Commodity Distribution Charge</td>
</tr>
<tr>
<td><strong>Total Food Cost</strong></td>
</tr>
</tbody>
</table>

**Note**

School foodservice administrators who prefer to use cost of purchased food received instead of cost of food used on the Statement of Revenue and Expenditures should omit inventory information and enter only the total cost of food purchased.
### Expenditures - Purchased Food
**Schedule E-5a**
*For the period of _______________

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Inventory</td>
<td>$______</td>
</tr>
<tr>
<td>Purchased Food Received</td>
<td>+$______</td>
</tr>
<tr>
<td>Less: Ending Inventory</td>
<td>=$______</td>
</tr>
<tr>
<td>Cost of Purchased Food Used</td>
<td>=$______</td>
</tr>
<tr>
<td>Less: Company Rebates</td>
<td>=$______</td>
</tr>
<tr>
<td>Food Cost</td>
<td>=$______</td>
</tr>
<tr>
<td>Commodity Processing Fees</td>
<td>+$______</td>
</tr>
<tr>
<td>Commodity Distribution Charge</td>
<td>+$______</td>
</tr>
<tr>
<td><strong>Total Food Cost</strong></td>
<td>=$______</td>
</tr>
</tbody>
</table>

### Expenditures - Donated Commodities Used
**Schedule E-5b**
*For the period of _______________

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Commodity Inventory</td>
<td>$______</td>
</tr>
<tr>
<td>Value of Commodities Received</td>
<td>+$______</td>
</tr>
<tr>
<td>Less: Ending Commodity Inventory</td>
<td>=$______</td>
</tr>
<tr>
<td><strong>Donated Commodities Used</strong></td>
<td>=$______</td>
</tr>
</tbody>
</table>
Definitions

**Purchased Food**

**Donated Commodities**

**Beginning Inventory**
This refers to the value of the food inventory at the beginning of the month.

**Food Received**
This is the category for the dollar value of raw foods, prepared foods, oils, spices, condiments, and other edible goods received for the foodservice program during the accounting period. If schedule E-5 is used, the category includes both purchased food and donated commodities.

**Ending Inventory**
This refers to the value of the food inventory at the end of the month. If the school district is calculating a single inventory, the value includes both purchased food and donated commodities.

**Company Rebates**
This item refers to money received from a company as an incentive to use a product. If the rebate is received during the year in which the food is purchased, it is recorded as a reduction to food cost. Rebates from the prior school year are recorded as revenue.

**Commodity Processing Fees**
These are fees paid to commercial food processors for processing USDA commodity foods into more convenient forms. They do not include the value of the donated commodity food.

**Commodity Distribution Charge**
These charges are assessed by the state for storage and transportation of donated commodities, and for administration of commodity distribution.

**Beginning Commodity Inventory**
This is the value of donated commodities in storage at the beginning of the month.

**Value of Commodities Received**
This is the assigned value by USDA for donated commodity items received during the accounting period.

**Ending Commodity Inventory**
This is the value of donated commodities in storage at the end of the month.
### Expenditures - General Operating Supplies and Food Production Supplies

**Schedule E-6a OR E-6b**

*(Choose the schedule that is appropriate for your operation. Do NOT use both.)*

*For the period of ________________*

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cleaning/Janitorial Supplies</td>
<td>$___________</td>
</tr>
<tr>
<td>Office Supplies</td>
<td>$___________</td>
</tr>
<tr>
<td>Kitchen Supplies and Small Equipment</td>
<td>$___________</td>
</tr>
<tr>
<td>Maintenance &amp; Repair Supplies</td>
<td>$___________</td>
</tr>
<tr>
<td>General &amp; Food Production Supplies</td>
<td>$___________</td>
</tr>
<tr>
<td><strong>Total General Operating Supply Expense</strong></td>
<td>$___________</td>
</tr>
</tbody>
</table>

### Expenditures - General Operating & Food Production Supplies

*For the period of ________________*

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cleaning/Janitorial Supplies</td>
<td>$___________</td>
</tr>
<tr>
<td>Office Supplies</td>
<td>$___________</td>
</tr>
<tr>
<td>Kitchen Supplies and Small Equipment</td>
<td>$___________</td>
</tr>
<tr>
<td>Maintenance &amp; Repair Supplies</td>
<td>$___________</td>
</tr>
<tr>
<td><strong>Total General Operating Supplies</strong></td>
<td>$___________</td>
</tr>
<tr>
<td>Food Production Supplies</td>
<td>$___________</td>
</tr>
<tr>
<td><strong>Total All Supplies</strong></td>
<td>$___________</td>
</tr>
</tbody>
</table>

**Note**

In some states, school foodservice authorities are required to identify costs of food production supplies separately from general supplies for indirect cost calculations. Schools in those states may need to use E-6b. School districts should choose only one schedule, E-6a OR E-6b.
Definitions
General Operating Supplies

General Operating Supplies are those supplies used in administering and operating the school foodservice program. The breakdown represented below may not be feasible or necessary for every school food authority. However, these categories and definitions are provided for information and optional use by the school foodservice administrator.

Cleaning/Janitorial Supplies
These items are used to keep the foodservice facilities clean and sanitary. Examples are as follows:

- Cleaning compounds
- Detergents
- Disinfectants
- Mops/mop buckets
- Brooms/dust pans
- Polishes
- Steel wool/scouring pads
- Brushes
- Wax/wax stripper
- Hand soaps
- Trash containers
- Garbage bags
- Water treatment chemicals
- Dish machine chemicals
- Drying agents
- Sanitizer
- Dish racks
- Toilet paper
- Paper towels

Office Supplies
These items are used in the district/school office to administer the school foodservice program. Examples are as follows:

- Adding machine tape
- Binders
- Desk pads
- Pens, pencils, markers
- Stamp pads
- Staplers, staples
- Data processing supplies
- Printed forms
- Masking tape
- Time books
- Rubber bands
- Paper clips
- Scotch tape
- Folders
- Report covers
- Stationery/envelopes
- Computer paper
- Printer cartridges
- Diskettes
- Postage

Kitchen Supplies and Small Equipment
These items are used in the process of preparing, serving, and storing food. Examples are as follows:

- Kitchen utensils - Cutting knives, measuring devises, spatulas, whips, brushes, thermometers, serving utensils, protective gloves, cutting boards and other such kitchen items are included in this category.

- Cookware/ovenware - Pots, steam pans, cobbler pans, bun pans, skillets, and other similar cookware are examples for this line item.
• **Preparation equipment** - This category includes scales, timers, can openers, and small equipment such as blenders or hand mixers.

• **Storage/transport** - Pan racks, dunnage racks, utility carts, can storage racks, food storage containers, storage room bins, food transport cart, and other items used for storage or transport of food are classified under this category.

• **Serving line supplies** - Plates, flatware, glasses, plastic aprons, plastic disposable gloves, trays, tray racks, and other similar items are considered serving line supplies.

**Maintenance & Repair Supplies**

These items are purchased by the school foodservice program for in-house repair and upkeep of equipment and facilities. Examples are as follows:

- Light bulbs
- Fuses
- Refrigeration supplies
- Window panes
- Filters (water, air)
- Paint supplies
- Floor mats
- Fire extinguishers
- Water hoses
- Equipment parts
- Light switches
- Electrical cords
- Service manuals

**Note**

Some states may require separate identification of the items in the following category for the purpose of establishing a cost allocation plan for *indirect* cost.

**Food Production Supplies**

Paper or disposable supplies used at the school site only for production and service of food are recorded under this classification. Examples are as follows:

- Napkins
- Pastry bags
- Pan liners
- Straws
- Filter paper
- Parchment
- Soufflé cups
- Disposable juice cups
- Plates/trays
- Wax paper
- Foil
- Paper towels
- Disposable aprons
- Disposable gloves
- Disposable table covers
**Expenditures - Capital Equipment/Furniture**

*Schedule E-7*

*For the period of _______________

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equipment, Purchased</td>
<td></td>
</tr>
<tr>
<td>Kitchen Equipment</td>
<td>$_________</td>
</tr>
<tr>
<td>Office Equipment</td>
<td>$_________</td>
</tr>
<tr>
<td>Dining Furniture</td>
<td>$_________</td>
</tr>
<tr>
<td>Office Furniture</td>
<td>$_________</td>
</tr>
<tr>
<td>Vehicles</td>
<td>$_________</td>
</tr>
<tr>
<td>Equipment (Leased/Purchased)</td>
<td>$_________</td>
</tr>
<tr>
<td>Kitchen, Major</td>
<td>$_________</td>
</tr>
<tr>
<td>Office</td>
<td>$_________</td>
</tr>
<tr>
<td>Equipment, Leased</td>
<td>$_________</td>
</tr>
<tr>
<td>Kitchen Equipment</td>
<td>$_________</td>
</tr>
<tr>
<td>Office Equipment</td>
<td>$_________</td>
</tr>
<tr>
<td>Vehicles</td>
<td>$_________</td>
</tr>
<tr>
<td>Total Capital Equipment Expenditures</td>
<td>$_________</td>
</tr>
</tbody>
</table>
**Definitions**

**Capital Equipment/Furniture**

**Major Equipment/Furniture Purchased**

This item refers to an expenditure for durable equipment or furniture over a specified dollar amount, as defined by the state, with a life expectancy greater than one year. It is recorded to a fixed asset account. Items may include major food preparation equipment, refrigeration equipment, serving line equipment, copying machines, fax machines, computer hardware, dining room tables/chairs, office desks, etc.

**Equipment, Leased/Purchased**

This category covers equipment initially leased for a contract price. When the lease is fully paid, the equipment becomes the property of the school district.

**Equipment, Leased**

This line item is for payments to use equipment that will be returned to the leasing agent when the lease expires.

**Note**

The *NCES Financial Accounting for Local and State School Systems, 2003 Edition* proposed a set of criteria for distinguishing capital equipment from supply items. An equipment item must meet all of the criteria. At the first “no” the item is declared to be a supply, not equipment.

**Criteria for Distinguishing Equipment from Supply Items**

1. Lasts more than one year
2. Repair rather than replace
3. Independent unit rather than being incorporated into another unit item
4. Cost of tagging and inventory small percent of item cost
5. Exceeds minimum dollar value mandated by state or other governmental unit
**Expenditure - Miscellaneous**

**Schedule E-8**

*For the period of _____________*

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transportation</td>
<td>$___________</td>
</tr>
<tr>
<td>Fuel and Oil</td>
<td>$___________</td>
</tr>
<tr>
<td>Insurance</td>
<td>$___________</td>
</tr>
<tr>
<td>Repair/Service</td>
<td>$___________</td>
</tr>
<tr>
<td>Books, Periodicals</td>
<td>$___________</td>
</tr>
<tr>
<td>Subscriptions</td>
<td>$___________</td>
</tr>
<tr>
<td>Professional Dues</td>
<td>$___________</td>
</tr>
<tr>
<td>Nutrition Education</td>
<td>$___________</td>
</tr>
<tr>
<td>Staff Development Activities/Training</td>
<td>$___________</td>
</tr>
<tr>
<td>Professional Conference/Meetings, Etc.</td>
<td>$___________</td>
</tr>
<tr>
<td>In-District Travel</td>
<td>$___________</td>
</tr>
<tr>
<td>Marketing</td>
<td>$___________</td>
</tr>
<tr>
<td>Recruitment</td>
<td>$___________</td>
</tr>
<tr>
<td>Other</td>
<td>$___________</td>
</tr>
<tr>
<td><strong>Total for Miscellaneous</strong></td>
<td>$___________</td>
</tr>
</tbody>
</table>

**Definitions**

**Miscellaneous**

**Transportation**

- **Fuel and Oil** - This item includes the costs of fuel and oil directly used by vehicles owned or leased by the school foodservice program.

- **Insurance** - The cost of insurance on vehicles owned or leased by the school foodservice program is included in this line item.

- **Labor for repair/service** - These expenditures are for outside labor and parts to repair and/or service vehicles owned or leased by the school foodservice operation. The costs for tires, batteries, etc., purchased by the school foodservice program are also included as transportation service items.
Books, Periodicals
These items include books, periodicals, and other publications that can be used in the operation or management of the school foodservice program.

Subscriptions
This item refers to the costs of subscriptions to business, professional, and technical periodicals that are applicable to the school foodservice program.

Professional Dues
The costs of memberships in business, technical, and professional organizations are recorded under this line item.

Nutrition Education
This item is for the costs of conducting or promoting nutrition education in the school district.

Staff Development Activities/Training
The costs associated with training activities provided for employee development by the school district are included under this category. Costs for training provided by outside vendors not on the payroll of the school district should be reported under Purchased Professional Services.

Professional Conferences/Meetings
This category is for the costs of meetings and conferences where the primary purpose is the dissemination of technical information, including meals, transportation, rental of meeting facilities, and other incidental costs.

In-District Travel
Expenses for local travel (mileage) within the school district are recorded under this line item. Other expenses may include visits to schools and business-related trips to banks, etc.

Marketing
This item is for the costs of improving customer satisfaction with the school nutrition program. Included are promotions, point of sale decor, advertising, publicity, customer satisfaction surveys, etc.

Recruitment
Costs related to attracting applicants for vacancies within the school foodservice operation are recorded under this line item.

Other
Other miscellaneous costs that are not accounted for in any of the previously discussed items are included in this category.
Expenditures - Indirect Cost/Fund Transfer
Schedule E-9
For the period of ______________

<table>
<thead>
<tr>
<th>Indirect Cost/Fund Transfer - Schedule E-9</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indirect Cost</td>
</tr>
<tr>
<td>Fund Transfer</td>
</tr>
</tbody>
</table>

Definitions
Indirect Cost/Fund Transfer

Indirect Cost
This is the foodservice program’s share of general school district costs that have been incurred for common or joint purposes and cannot be readily identified as a direct cost. The amount recovered must be through an approved cost allocation plan.

Fund Transfer
Funds transferred from the school foodservice program to other school district funds are recorded under this category.
SECTION 4
FINANCIAL ANALYSIS AND PROGRAM EVALUATION
Successful financial management of a school foodservice operation requires careful review and analysis of financial data. For financial data to be purposeful and useful, it must be easily understood, reliable, relevant, and timely. Understanding and monitoring financial data can help decision-makers determine the profitability and efficiency of a school foodservice operation and identify areas for improvement. The relationship between available revenue and program costs must be evaluated on a regular basis. Increasingly programs are expected to be self-supportive and cost effective; this requires increased accountability.

There are several types of analyses appropriate to generate performance indicators for evaluating the effective financial management of a school foodservice operation. Performance indicators may be stated in dollars, percentages, or ratios to facilitate the analysis process. NFSMI Task Force members identified the following performance indicators for “taking the financial pulse” of school foodservice programs:

- financial position (statement of revenue & expenditures, balance sheet, budget variances, fund balance)
- percent of cost by category to total revenue (operating ratios)
- meal cost (plate cost, food cost/meal, labor cost/meal, commodity value/meal)
- participation rate (by program, eligibility category)
- productivity (meals per labor hour, revenue to variable costs)

These performance indicators are meaningful only when compared to other useful criteria. One way to accomplish this comparison is through the utilization of an internal and external benchmarking process. Benchmarks are standards used to:

- measure performance and
- identify areas for improvement.

Benchmarking data can be compared to:

- corresponding data from the prior period; significant increases or decreases may be identified from this comparison,
- planned goals such as the budget, participation, and meals per labor hour, and
- other school foodservice operations with similar characteristics.

The goal of benchmarking is to improve performance by adopting best practices of benchmarking partners. The use of “best practices” identifies operations of excellence and can help a school foodservice administrator answer questions about how the district foodservice operation is doing when compared to other school districts.

**Meal Equivalents**

In school foodservice programs, the production of meals is the unit of measurement used to gauge the effectiveness and efficiency of a school foodservice program. The student reimbursable lunch is the standard unit of measurement most often used. Counting meal and food sales other than lunches is not as clear-cut as counting the traditional lunch. Thus, a method for converting operational data for all food sales, including student lunches, must be used to determine the equivalent of a meal. It is important to remember that a meal equivalent is not a unit of production but a calculation that allows the operator to equate all meals to a standard, the student lunch. By converting all food sales to meal equivalents, the school foodservice
administrator can determine a per meal cost and productivity ratios such as meals per labor hour. Meal costs based on meal equivalents allow school foodservice administrators to better benchmark financial performance, both internally and externally. Examples of meal equivalent conversion formulas and calculations are presented below.

**Lunch**

All student reimbursable lunches and full-paid adult lunches are counted as one meal equivalent for each lunch served. If a student purchases more than one lunch on a given day, the second lunch is considered non-reimbursable and is reported as either an extra food sale or adult meal sale. The category for reporting is determined by state agency requirements. Lunches eaten by school foodservice employees at no charge for the meal are considered “inkind” meals and should not be counted as a meal equivalent.

**Breakfast**

The method used in this document for determining breakfast meal equivalents specifies that three breakfasts are the equivalent of two lunches. In 2004, this breakfast meal equivalency was updated from a ratio in which two breakfast were considered the equivalent of one lunch. The new ratio is based on recommendations from participants in a national task force convened to update the Financial Management Information System model. It is important to note that the meal equivalent ratio used for calculating breakfast meal equivalents varies from state to state. For this reason, school foodservice administrators should check with their state agencies for guidance. Once a ratio is selected it should remain consistent for the entire reporting period (year) for comparisons or benchmarking in order to be meaningful.

Using the FMIS formula, breakfast meal equivalents are calculated as follows:

\[ \text{Meal Equivalent} = \text{Number Breakfasts Served} \times \text{conversion factor} \]  
\[ \text{Example: } A \text{ school foodservice program served 300 student reimbursable breakfasts and 58 adult breakfasts on a given day. Using the formula that 3 breakfasts are equivalent to 2 lunches, the breakfasts served were equivalent to 236 lunches or meal equivalents.} \]

\[ 358 \times .66 \]
\[ = 236.28 \text{ or } 236 \]

**Afterschool Snacks**

NSLP snacks are served to children and youth in afterschool care programs that are eligible for USDA reimbursement. While there are no current research studies to support the meal equivalency ratio, a survey of selected state agencies indicated most states use a 3-to-1 ratio of snacks to lunch. Using this equivalency, snacks can be converted to meal equivalents as follows:

\[ \text{Meal Equivalent} = \frac{\text{Number of Snacks Served}}{3} \]

**Example: An elementary school served 450 students reimbursable afterschool snacks. Using the formula that 3 snacks are equivalent to 1 meal, the snacks served to students on this particular day were equivalent to 150 lunches or meal equivalents.**

\[ \frac{450}{3} \]
\[ = 150 \]
Other Food Service Sales

Meal equivalent calculations for all other foodservices are based on the annual federal reimbursement rate for students eligible for free lunch plus the entitlement commodity value. The revenue from nonreimbursable food sales can be converted to meal equivalents as follows:

\[
\text{Meal Equivalent} = \frac{\text{a la carte Sales or Extra Food Sales Revenue}}{\text{Free Lunch Reimbursement + Commodity Value per Meal}}
\]

**Example:** Assume that a school foodservice operation sold nonreimbursable food items on a given day that totaled $234.00 in revenue. Using the formula above, we can convert the revenue from nonreimbursable food sales to the equivalent of 97 lunches.

\[
\begin{align*}
\text{Meal Equivalent} & = \frac{\$234}{2.24 + 0.1725 (2.4125)} \\
& = 96.99 \text{ or } 97
\end{align*}
\]

*Based on reimbursement rates effective from July 1, 2004 – June 30, 2005

The same formula would apply for other foodservice events such as catered meals or special school functions.

\[
\text{Meal Equivalent} = \frac{\text{Catered Meal Sales Revenue}}{\text{Free Lunch Reimbursement + Commodity Value Per Meal}}
\]

**Example:** A school foodservice operation offers catering services to departments within the school system. During one month, the foodservice department catered three events with resulting sales of $935.70. To determine the meal equivalents for catered sales, the school foodservice administrator divided the catering sales total by the value of the federal reimbursement for students eligible for free meals plus the commodity value of the lunch. Using this calculation, the catering sales for that month converted to 388 lunch equivalents.

\[
\begin{align*}
\text{Meal Equivalent} & = \frac{\$935.70}{2.24 + 0.1725 (2.4125)} \\
& = 387.85 \text{ or } 388
\end{align*}
\]
Cost of Purchased Food Used

School foodservice administrators need to know how much money they spend on purchased food used during a given period of time. This is important information that is used to determine whether costs are within guidelines and funds that are available to cover costs. The cost of purchased food used is included in other calculations that might be helpful to the administrator. For example, the cost of purchased food used must be calculated before the school foodservice administrator can determine meal costs.

A physical inventory must be taken consistently and on a regular basis (a minimum of a monthly inventory is recommended) to obtain current and accurate results. At the end of the accounting period, the food inventory is taken, the value of the food inventory is calculated, and the cost of purchased food used for the period is determined as follows:

\[
\text{Cost of Purchased Food Used} = \frac{\text{Beginning Purchased Food Inventory} + \text{Food Purchases}}{\text{Total Purchased Food Available} - \text{Ending Purchased Food Inventory}}
\]

Example:

<table>
<thead>
<tr>
<th></th>
<th>Annually</th>
<th>Monthly</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning food inventory</td>
<td>$8,000</td>
<td>$8,000</td>
</tr>
<tr>
<td>Food purchases</td>
<td>$300,000</td>
<td>$25,000</td>
</tr>
<tr>
<td>Food available</td>
<td>$308,000</td>
<td>$33,000</td>
</tr>
<tr>
<td>Less: ending food inventory</td>
<td>$7,000</td>
<td>$7,000</td>
</tr>
<tr>
<td>Cost of purchased food used</td>
<td>$301,000</td>
<td>$26,000</td>
</tr>
</tbody>
</table>

Streamlined Commodity Inventory

When calculating the cost of food used, the value of USDA-donated commodities must be considered. USDA has recently taken steps to more fully integrate commodities with other foods utilized by school nutrition programs. This has resulted in purchased and commodity food items being accounted for in one inventory. The intent is to reduce cost and provide more timely deliveries. Under the single inventory concept, cost of food used may include the value of USDA commodities.

The guidelines for the single inventory concept are as follows:

- Inventories of donated foods are no longer required to be separate from inventories of other foods.
- Most commodities are packed with commercial labels instead of USDA labels.
- Procedures may differ from state to state in commodity inventories.

Some states continue to provide school districts with commodity information that includes the per-case value. The commodity value is entered into the district accounting records separately from the cost of purchased food. This allows the school district to calculate both the cost of purchased food used and the value of USDA-donated commodities used in the reporting period.
Per Meal Costs

The cost of producing a meal is a critical piece of information for the school foodservice administrator. Meal cost is determined by dividing total expenditures for a given reporting period (day, week, month, quarter, year) by total meal equivalents during the same period. Expenditures include all costs to the school foodservice program, including food costs, labor costs, supply costs, and all other costs. These costs categories are illustrated below.

Food Costs
- Cost of purchased food used
- Value of USDA commodities (if available)

Labor Costs
- Salaries and wages, including administrative office salaries
- Employee benefits

Supply Costs
- General operating supplies
- Food production supplies
- Expendable equipment

Other Costs
- Capital equipment
- Repairs, maintenance
- Professional development (travel, conferences, training, etc.)
- Overhead (utilities, communication, and other appropriate costs as defined by state guidelines)
- Indirect (charges from district).

NOTE

This listing is not exhaustive. Each school foodservice program must include costs unique to its operation. The important point is that all costs be included so that an accurate result is achieved.

Per Meal Cost Calculation

When expenditures are categorized, each cost category—food, labor, supply, and other costs—can be calculated per meal. For example, purchased food cost per meal can be calculated using the following formula:

\[
\text{Costs of Purchased Food Used} \\
\frac{\text{Total Lunches + Meal Equivalents}}{}
\]

The formulas for labor and supply costs are listed below. School foodservice administrators can use the formula also to calculate per-meal costs for other expenditure categories.

\[
\text{Labor Costs} \\
\frac{\text{Total Lunches + Meal Equivalents}}{}
\]

\[
\text{Supply Costs} \\
\frac{\text{Total Lunches + Meal Equivalents}}{}
\]
To calculate total costs for producing a meal, the school foodservice administrator should divide the sum of expenditures in all categories for the period being analyzed by the total meal equivalents served in that period.

\[
\text{Meal Cost} = \frac{\text{Total Expenditures}}{\text{Total Lunches + Meal Equivalents}}
\]

Meal cost can be calculated for any accounting period the school foodservice administrator wishes to analyze. The example below provides an explanation of the total process for calculating the cost to produce a meal for a given period of time.

**Example:** In ABC Elementary School, foodservice staff members concerned about plate costs in their school decided to analyze meal costs on a daily basis. On this particular day, the school foodservice operation served 200 student lunches, 23 adult lunches, 96 breakfasts, 54 snacks in the afterschool care program, and had $110.00 in a la carte and extra milk sales. There were $619.55 in expenditures for the day. Using the following steps, the staff calculated the cost per meal based on the number of meal equivalents served for the day.

**Step 1 - Determine the expenditures for period.**

Food costs (includes commodities) $301.50
Labor costs 179.50
Benefit costs 60.50
General supplies/paper supplies 36.60
Overhead costs (prorated as a daily rate based on an average monthly cost) 41.45

**Total costs for the day** $619.55

Note: Calculations made at the school level serve as a tool for evaluating expenditures at that site. They may not necessarily reflect all costs associated with the district’s school foodservice operation.

**Step 2 - Calculate all meals and meal equivalents.**

After the total expenditures were calculated, the number of meal equivalents for each type of service was determined. Using the meal conversion formulas presented in this section, the total number of meals and meal equivalents were calculated as follows:

- **Breakfasts Meal Equivalents** = \( \text{Number of Breakfasts Served} \times \text{conversion factor} \)
  \[
  96 \times 0.66 = 63
  \]

- **Snack Meal Equivalents** = \( \frac{\text{Afterschool Care Snacks Served}}{3} \)
  \[
  \frac{54}{3} = 18
  \]

- **a la carte Meal Equivalents** = \( \frac{\text{a la carte Sales Revenue} + \text{Federal Free Lunch Reimbursement} + \text{Commodity Value}}{\}$110 \( \frac{2.24 + 0.1725 (2.4125)}{2.4125} = 45.59 \text{ or } 46
  \]

- **Lunches** = \( \frac{\text{Student lunches + Adult Lunches}}{200 + 23} \)
  \[
  = 223
  \]
Step 3 - Add all meal equivalents and lunches together.
When the number of meal equivalents for each type of service has been determined, they are added together to get the total meal equivalents served for the time period being analyzed.

<table>
<thead>
<tr>
<th>Type of Meal</th>
<th>Number of Equivalents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Breakfast</td>
<td>63</td>
</tr>
<tr>
<td>Snack</td>
<td>18</td>
</tr>
<tr>
<td>à la carte</td>
<td>46</td>
</tr>
<tr>
<td>Lunch</td>
<td>223</td>
</tr>
<tr>
<td>Total</td>
<td>350</td>
</tr>
</tbody>
</table>

Step 4 - Calculate the per plate meal cost.
Divide the total expenditures for the period by the total meal equivalents. This tells the school foodservice administrator the cost of producing a meal equivalent on a per-plate basis for the period of time being analyzed.

\[
\text{Meal Cost} = \frac{\text{Total Expenditures}}{\text{Total Meals/Lunch Equivalents}}
\]

\[
\text{Meal Cost} = \frac{619.55}{350} = 1.77
\]

The meal cost of $1.77 for the day may be compared to other meal costs for this school foodservice program. For example, the previous week's daily meal costs were as follows:

- Monday  $1.68
- Tuesday  1.65
- Wednesday  1.62
- Thursday  1.67
- Friday  1.69

The meal cost of $1.77 is $.08 more than the highest cost for the previous week's meals. This may alert the school foodservice administrator to investigate the reason for the increase or to the need to balance high-cost with low-cost meals to meet established cost guidelines. In addition, the information is a valuable tool for future menu planning.

Operating Ratios
Operating ratios help school foodservice administrators evaluate and monitor their operations. These ratios relate expenses to revenues and are useful to management because they allow comparison of actual results against anticipated operational plans. All expenditures can be calculated as a percentage of total revenue. This section will provide examples of two of the most critical ratios, food cost percentage and labor cost percentage.
Food Cost Percentage

School foodservice administrators often rely on this ratio to determine whether expenditures for purchased food are reasonable and in-line with previously established guidelines. Because most of the revenue in school foodservice programs comes from the sale of food, the food cost percentage is generally calculated using the ratio of food cost to total revenue. The results are then compared to established or budgeted goals. The food cost percentage can be calculated using the following formula:

\[
\text{Food Cost Percentage} = \frac{\text{Cost of Purchased Food}}{\text{Total Revenue}}
\]

**Example:** A school foodservice program had total revenue of $30,000 for the month of February and a food cost of $16,500 for the same month. Using the formula above, we can see that this operation had a 55% food cost in relation to total revenue for the month. This tells the school foodservice administrator that $.55 of every revenue dollar was spent for food in the month of February.

\[
\frac{16,500}{30,000} = .55 \times 100 \text{ or } 55\%
\]

The school foodservice administrator planned to maintain a 38-40% average for purchased food cost throughout the year. A 55% food cost signals that the goal is not being met and the reason for the higher food cost must be investigated. Tracking the food cost to a revenue ratio on a weekly or monthly basis can identify trends and pinpoint potential problems.

Variance may be due to:

- poor portion control
- overproduction and waste of food
- inaccurate inventories when food cost is based on food used rather than food received
- theft
- unexpected increases in the price of food products

Consideration should also be given to revenue records. Inaccurate revenue reports caused by reporting errors can distort the ratio of costs to total revenue.

A lower than expected food cost also should be investigated. While it may mean cost control methods are working better than expected, it also could mean:

- inaccurate inventories
- inaccurate reporting of food expenditures
- food portions smaller than requirements are being served
- some meal components are not prepared in sufficient quantities for all students

There may be a need to adjust the target food cost percentage if the district combines purchased food used with the value of commodities. School foodservice administrators should seek advice from their state agency regarding food cost percentages that include USDA-donated commodity values. Using food cost percentages for external benchmarking from state to state may be difficult due to the differences in methods used to inventory purchased food and commodities.
**Labor Cost Percentage**

A general labor cost percentage is determined by dividing total labor costs by total revenue. This percentage is useful to school foodservice administrators as a benchmark for making comparisons. These comparisons can be made from school to school within a district or from district to district within a state or region. Cost percentages higher than anticipated may be an indication that too many labor hours are being allocated for the number of meals served. The labor cost percentage is calculated using the following formula:

\[
\text{Labor Cost Percentage} = \frac{\text{Payroll, Benefits, Other Related Expenses}}{\text{Total Revenue}}
\]

**Example:** A school foodservice operation had an annual payroll, including benefits and other labor expenses, of $400,000. They had an annual revenue of $800,000. The annual labor cost percentage is calculated as follows:

\[
\frac{\$400,000}{\$800,000} = .50 \text{ or approximately } 50\%
\]

This percentage tells the SFS administrator that for every $1 in revenue earned, $.50 or one-half of all revenue went toward labor expenses during the period in review. The remaining $.50 must cover all other expenditures, including purchased food; otherwise the program will have a deficit for the period.

**Pricing Meals and Nonreimbursable Food Items**

**Reimbursable Meals**

Student meal prices in a school district are generally determined by the local school food authority with approval from the school board and should, as a rule, cover current meals costs less current reimbursement and the value of USDA entitlement commodities. Adult meal prices should cover the full cost of the meal and commodity value. Reimbursable meals served in the normal school setting include breakfast, lunch, and afterschool snacks. A price determination should be made for each meal type.

**Example:** Assume that an analysis of food cost for the coming year forecast the total average cost for producing a reimbursable lunch at $2.32. If section 4 reimbursement is $.21 and the school receives $.1725 per meal in entitlement commodities, the following method would be used to determine student and adult lunch prices.

<table>
<thead>
<tr>
<th></th>
<th>Average Lunch Costs</th>
<th>- Section 4 Reimbursement</th>
<th>- USDA Commodity Value</th>
<th>= Base Price</th>
<th>Possible Final Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student</td>
<td>$2.32</td>
<td>- 0.21</td>
<td>- 0.1725</td>
<td>= $1.94</td>
<td>$2.00</td>
</tr>
<tr>
<td>Adult</td>
<td>$2.32</td>
<td></td>
<td></td>
<td>= $2.32</td>
<td>$2.35</td>
</tr>
</tbody>
</table>

In this scenario, school officials may want to consider charging $2.00 for ease in collecting payment and making change. If the school district determines that secondary students will be given larger portions or offered more services, then a student meal price of $2.10 or $2.25 would be advisable for students at the secondary level. Federal regulations mandate that the price for an adult meal must cover the full cost of the meal ($2.32). Therefore, adults should pay a minimum of $2.35. If the school district anticipates an increase in operational costs due to large equipment purchases, then it may be prudent to set the adult meal cost higher than breakeven status. This prevents a sudden and substantial increase in meal prices to adult school employees. The method described above should also be used to set breakfast and afterschool snack prices.
Non-reimbursable Food Items

School foodservice operations must establish appropriate selling prices for non-reimbursable food items that are sold separately from the school meal. There are several factors that influence prices charged for extra food or a la carte items sold to both students and adults. The factors most likely to influence prices charged for non-reimbursable food items include:

- demand
- perception of value
- prices charged in nearby school districts
- relationship between sales prices and volume
- total costs to prepare item
- promotional activities (i.e., pricing foods with high nutritional value, such as fruit, to encourage higher sales)

There are several methods used in the foodservice industry to price food items that are sold individually. Each method helps ensure that in addition to costs, the customer’s perception of value for price and the organization’s financial goals are considered in setting the selling price. While school foodservice administrators must decide on a method that best fits their district, the two methods discussed below are easy to use and may be a good starting point from which other factors are considered and the price adjusted accordingly.

Method #1: Desired Food Cost Percent Mark-up

The desired food cost percent mark-up is one of the simplest methods used to determine the price of a food item. Although easier and less complicated to use than other methods, it has some disadvantages in that it only establishes a base selling price and may not necessarily reflect all other considerations. It should be emphasized that because the mark-up is based only on food cost, other factors should be considered before establishing a final selling price.

There are three steps to establishing the base selling price for a food item using a desired food cost percent mark-up method.

1. Determine the standard food cost of the item offered for sale.
2. Identify the desired food-cost percentage for the operation.
3. Establish a base selling price by dividing the item’s standard food cost by the desired food cost percent.

\[
\text{Base Selling Price} = \frac{\text{Item's Standard Food Cost}}{\text{Desired Food Cost Percent (divided by 100)}}
\]

Example: A school foodservice operation set a goal of 38% as a desirable food cost percentage for the school year. Students are allowed to purchase extra slices of pizza with meals. The raw food cost for one slice (serving) of pizza is $.52. The base selling price for a slice of pizza using the desired food cost percent mark-up can be calculated as follows:

\[
\text{Base Selling Price} = \frac{.52}{38 \div 100 \text{ or } .38} = \$1.3684
\]

If management prices the slice of pizza at $1.40 (rounded), this provides $.52 to cover the food cost of the pizza and $.88 to cover labor and other costs associated with selling students extra slices of pizza. However, if the customer perceives a value of $1.50 per pizza slice as reasonable, then the school foodservice management team may decide to charge the extra $.10 per slice.
**Method # 2: Overhead Contribution + Desired Profit Percentage**

This is a modification of the desired food cost percentage. The food percentage used in establishing a selling price is determined by first establishing the total cost percentage of all other nonfood expenditures plus a desired profit percent. The percentages for all nonfood costs, including labor, plus the desired profit (net gain) percentage are subtracted from 100 percent, leaving the percentage that is available to cover food costs.

\[
\text{Selling Price} = \frac{\text{standard food costs}}{100\% - (\text{nonfood cost percentages + profit percentage})} = \text{percent allowed for food costs}
\]

Assume the cost of a slice of pizza is $.52 and that all nonfood costs including labor make up 65% of total revenue. The school foodservice department has determined that a 5% increase in revenue for nonreimbursable food items is needed in the budget for the current operating year. The base selling price for a slice of pizza can be calculated using the following formula.

**Example:**

\[
\text{Selling Price} = \frac{.52}{100\% - (65\% \text{ for nonfood cost + 5\% for profit})} = 30\% \text{ allowed for food cost percentage}
\]

\[
\text{Selling Price} = \frac{.52}{30 \div 100 \text{ or .30}} = \$1.7333
\]

If the price is rounded to $1.75 for each slice of extra pizza sold, this provides $1.23 per pizza slice to cover other costs and profit after allowing $.52 to cover food cost. In this scenario, the customer may perceive the value of a slice of pizza to be less than $1.75. If so, the district will need to identify other areas in the budget to adjust.

The price of any combination of food items that qualify for a reimbursable meal should exceed the price charged for the meal so that is advantageous for the student to purchase the reimbursable meal. Students should be made aware of the cost advantage of purchasing a nutritious reimbursable meal as opposed to selecting food items separately.

**Productivity**

Evaluating productivity is important to the financial success of the school foodservice program. The number of lunches or meal equivalents served per labor hour represents the primary measure of productivity for school foodservice programs. Knowing the rate of production in the school setting is essential in formulating budgets and determining labor needs.

**Meals per Paid Labor Hour**

The productivity index of meals per labor hour (MPLH) is used by many school foodservice administrators to monitor the efficiency of their operation and to determine appropriate staffing. This important information indicates to administrators whether they are making good use of their resources. This measure can help in determining how many employees are needed in a single production unit or throughout the district. The MPLH index is most effectively used to compare labor utilization within a system because labor is so dependent on the type of operation used in food production. For example, factors that may affect MPLH as a productivity measure are:

- size of operation
- number of serving lines
- type service provided
- scheduling of lunch periods
• production system
• amount of convenience foods used
• skill level of employees
• complexity of the menu, etc.

The MPLH index is calculated on the actual productive labor hours assigned to a school-level foodservice program. The number of paid labor hours includes labor charged to and paid for by the school foodservice operation for managers, kitchen staff, cashiers, and custodial services used for cleaning in the dining area. Paid hours for substitutes are included, but not paid hours for sick, personal, or holiday leave.

MPLH can be determined for a school site by dividing the total meal equivalents for a given time period by the total number of productive paid labor hours for the same time period. The following scenario provides an example of how to evaluate the MPLH at a school site.

Example: The school foodservice manager at ABC Elementary School and the district school foodservice administrator agreed that there is a need to increase productivity at the school foodservice program site. The school foodservice administrator and school manager performed the following calculations to analyze the existing productivity index.

1. Calculate the current total hours of labor paid daily in the foodservice operation.

   Food Service Employees including the Manager

   $\begin{array}{ccc}
   1 & \times & 7 \\
   3 & \times & 6 \\
   3 & \times & 5 \\
   3 & \times & 3 \\
   \hline
   \text{Total Hours Paid Daily} & 49
   \end{array}$

2. Calculate the average number of meal equivalents served daily using the formulas discussed on pages 63-64.

   Meal Categories
   - Lunch (student and paid adults) $440$
   - Breakfast (182 x .66) $120$
   - Snacks (75 ÷ 3) $25$
   - Nonreimbursable Sales $(200 ÷ 2.24 + .1725 = 82.9)$ $83$
   - Total Meal Equivalents $668$

3. Divide the number of meals or meal equivalents by the number of paid labor hours to determine MPLH.

   \[
   \text{Meals per Labor Hour} = \frac{\text{Number of Meals or Meal Equivalents}}{\text{Number of Paid Productive Labor Hours}}
   \]

   $\frac{668 \text{ meal equivalents}}{49 \text{ productive labor hours}} = 13.63 \text{ MPLH}.$
After an evaluation of the productivity level is completed, the school foodservice administrator can make a decision regarding staffing. If the evaluation indicates an overload and increasing participation is not an alternative, cuts in labor hours may be necessary. The following method can be used to determine the number of labor hours needed for the desired productivity level.

1. Decide the desired number of MPLH for the school site. Assume ABC Elementary School set a goal of 17 MPLH based on the type of meal service offered. An accepted industry guideline is 14 – 18 MPLH.

2. Divide the total meal equivalents by the desired number of MPLH to determine the total labor hours needed per day.

   Example:

   \[
   \frac{668}{17} = 39.3 \text{ Total Labor Hours}
   \]

3. Determine the number of excess labor hours daily that will need to be eliminated.

   Example:

   \[
   \text{Current Paid Labor Hours} - \text{Desired Paid Labor Hours} = \text{Reduction needed}
   \]

   \[
   49 - 39.3 = 9.7 \text{ labor hours}
   \]

   The school foodservice administrator can make a decision to reduce the hours of employees or eliminate positions to increase MPLH.

**Volunteer labor**

The number of meals per paid labor hour does not include volunteer labor. If volunteer labor is used, then an additional measure of productivity must be calculated using total number of labor hours (both paid and unpaid). This measure should not be compared to an operation using a productivity index to calculate meals per labor because the comparison would not be valid. The operation using unpaid volunteer labor could have a higher number of meals per labor hour than one using only paid labor.

**Average Daily Participation**

School foodservice administrators must have accurate information about the average number of students who will participate in the school lunch and breakfast program on a daily basis. The average daily participation is used to determine staffing needs, purchase food and supplies, and schedule food production. Knowing the average participation over a period of time can assist school foodservice administrators in making better financial management decisions that strengthen their programs’ resources.

The average daily participation can be used as a forecasting tool to:

- prevent waste in excess labor hours and overproduction of food, and
- reduce customer dissatisfaction because of inadequate staff and too little food prepared for the number served.
Student participation in the school meals program may vary depending on variables such as:

- percent of paid, free, and reduced price meals served
- rural or urban location
- age or grade level of participants
- closed or open campus
- school or district regulations
- competition from other foodservices (i.e., fast food restaurants)
- weather conditions

Such differences must be taken into account when comparing participation rates between schools/districts in order to obtain an accurate picture. Average meal participation per day can be calculated by dividing the number of meals served during the month by the operating days in the month. Typically, participation is determined separately for breakfast and for lunch. The formulas for calculating the average daily participation for lunch and breakfast are as follows:

\[
\text{Average Lunch Participation Per Day} = \frac{\text{Number of Lunches Served in a Month}}{\text{Number of Operating Days in Month}}
\]

\[
\text{Average Breakfast Participation Per Day} = \frac{\text{Number of Breakfasts Served in a Month}}{\text{Number of Operating Days in Month}}
\]

**Example:** A school foodservice operation served 2000 free student lunches, 850 reduced price student lunches, 3000 paid student lunches, and 200 paid adult lunches during a month with 20 operating days.

\[
\frac{6050}{20} = 302.5 \text{ or } 303
\]

The school also served 800 free student breakfasts, 300 reduced student breakfasts, 600 paid student breakfasts, and 150 adult breakfasts during the month.

\[
\frac{1850}{20} = 92.5 \text{ or } 93
\]

This school had an average district participation of 303 lunches and 93 breakfasts per day for the month.
In addition to determining the average daily participation numbers, it is helpful to know the ratio of students eating a school meal to the total number of students enrolled in the school. This ratio can be expressed as the percent of students enrolled in the school or school district who eat in a given period of time. The formulas for calculating the rate of average daily participation (ADP) for lunch and breakfast are as follows:

\[
\text{Breakfast Participation Rate} = \frac{\text{Breakfast ADP}}{\text{Enrollment}}
\]

\[
\text{Lunch Participation Rate} = \frac{\text{Lunch ADP}}{\text{Enrollment}}
\]

**Example:** For the reporting period of October, a school district had an enrollment of 7,710 on any given day. It calculated that an average of 1754 students ate breakfast on a daily basis, and an average of 4959 students ate the reimbursable lunch.

The average participation rate for breakfast among enrolled students during October was -

\[
\frac{1754}{7710} = .2274 \text{ or } 23\%
\]

The average participation rate for lunch among enrolled students during October was -

\[
\frac{4959}{7710} = .6432 \text{ or } 64\%
\]
SECTION 5
BUDGETING
A budget is a formal written statement of management's plans for a specified period of time, expressed in financial terms. It charts the course for future action. Budgeting embraces both accounting and management functions. It is a management function because it is a plan that will be used to assist in managing the operation. Budgeting requires management to plan for decision-making, establishing objectives, and setting priorities. Budgeting is also an accounting function because the plans are translated into financial terms. Probably no other instrument contributes more directly to effective management than a budget.

The budgeting process for the school foodservice operation is more similar to private enterprise operations than to other funds in the school district. School foodservice is a businesslike operation in which direct services are provided to consumers and must be financed, at least in part, through the sale of products and services. Although revenues for school foodservice come from a variety of sources — local, state, and federal — almost all are tied to customer participation.

Budget preparation requires substantial time and effort on the part of the school personnel involved in the process. Because of the time involvement, it is important for the school foodservice administrator to understand the managerial uses of the budget as well as the specific procedures and techniques for the successful preparation of a budget. To develop a workable and accurate budget, the school foodservice administrator must understand (a) the benefits of preparing a budget, (b) the factors that influence budgeting, (c) the methods of budgeting, (d) the budgeting process, and (e) how to analyze and adjust the budget.

Benefits of Preparing a Budget

A budget is central to the successful operation of the school foodservice program. The budget forecasts the amount of revenue that will be available, determines how it will be allocated for expenditures, and predicts how much money will be in the fund balance at the end of the closing period. The budget is a financial management tool that can be used to:

- establish specific future goals,
- evaluate past activities in relation to planned activities,
- prescribe the formulation of work plans,
- forecast the amount of revenue that will be available,
- predict how funds will need to be expended,
- measure actual results against planned or desired results,
- identify potential problem areas that need attention,
- estimate what will be available at the end of the budget period, and
- serve as a public information system.
Factors that Influence Budget Development

There are several factors that must be considered by the school foodservice administrator during the budgeting process. Those factors include the following:

- **Historical trends** - Are trends emerging in the number of reimbursable meals sold over the past two or three years? Do historical data indicate an increase or decrease in the percent of a la carte or extra sales to total sales? Have special functions/catering services increased, decreased, or remained the same?

- **Participation rates** - Is the school district in a period of increasing or decreasing enrollment? Does the school district plan a marketing campaign to increase participation? Are there anticipated changes in the number of students qualifying for free/reduced meals that might affect overall participation? Are there operational improvements such as upgrades in school foodservice facilities that might result in increased participation?

- **Federal and state subsidies** - How much will federal reimbursement rates increase (or decrease)? Will there be a change in the state subsidy? What will be the estimated dollar value of USDA-donated commodities? Is the cost of commodity delivery expected to increase?

- **Operational and/or program changes** - Are there new federal program regulations that will increase costs due to implementation? Are timesaving techniques being planned that will lower labor requirements? Are new services being planned to increase revenue?

- **Increased or decreased program costs** - Do market reports indicate expected increases or decreases in the price of food, supplies, or services? Are raises planned for employees? Will benefits, such as health insurance, be added or increase in cost?

- **Changes in meal prices** - Will the price of lunch, breakfast or a la carte/extra food increase? Will a meal price increase result in fewer students and teachers eating school meals? Are there plans to increase the charges for special function and catered meals?

Methods Used in Budgeting

There are basically three ways to plan a budget. They are as follows:

- **Incremental (baseline) budgeting** - In incremental budgeting, the budget for the current year is the starting point for the new budget. Adjustments are made to the budget to allow for differences in activities planned for the next year and the activities in the current year. Adjustments are also made to reflect expected changes in revenues and expenditures. The advantages of incremental budgeting are that it is less time-consuming and that it may be the best method for budgeting basic cost items (e.g., communication charges or waste management). The disadvantages of incremental budgeting are that existing budget errors may not be corrected, less planning may go into the budget process, and administrators may not take into account changing program needs.

- **Zero-based budgeting** - The concept for zero-based budgeting is to start with zero and build the budget. It requires that the operation take a fresh look at every expenditure without preconceived notions. There are several advantages to zero-based budgeting. It better equips management to make decisions when comparing actual program performance to the budget. Zero-based budgeting most often gives a better estimate of revenue projections and helps create a model for spending by breaking the habit of budgeting nonessential costs simply because they were incurred the prior year. The disadvantages of zero-based budgeting are that it is time-consuming and that some categories in the budget are best estimated based on historical data because they are difficult to calculate from zero. For example, the cost of general supplies may best be calculated by examining existing data for historical usage combined with the projected rate of inflation.
• **Combination incremental and zero-based** - A combination that uses zero-based for some items and incremental for other items is usually considered the best approach for school foodservice budgeting. Some items in the budget should be based on need without preconceived estimates based on the previous year. For other items, the existing budget need only be adjusted to accommodate price changes. The method used will depend on the item being budgeted and circumstances. For example, if the district anticipates a substantial increase in enrollment due to an influx of people into the community, then both revenue and expense funds that are directly related to student population should be budgeted from zero. However, if there are no expected changes in student participation, revenue sources, or program costs, then incremental budgeting may suffice.

**The Budgeting Process**

The basic steps of the budget process may vary from school district to district. In some school districts, the foodservice administrator may have sole responsibility for preparing the budget for the foodservice department. In other districts, though the foodservice administrator may be involved, the compilation of the total budget is often the responsibility of a business official. Regardless of the process, it is important for the school foodservice administrator to be aware of the budget-planning process. If the budget is going to be an effective financial management tool, then it is important for the school foodservice administrator to work with school business officials to ensure the development of an accurate budget, to review the proposed budget for the foodservice department before it is finalized, and to establish the budget as a standard against which operations are evaluated. The following steps are necessary during the budget-planning process:

• **Establish long-term goals.** What should occur in the program over the next five or ten years?

• **Develop a budget plan.** What sources for revenue generation will be considered in development of the budget? What are the categories of expected expenditures? What reports should be included in the budget analysis? Which budgeting method will be used for projecting revenues and expenditures?

• **Project revenue based on all applicable factors.** How much revenue will be available from local, state, and federal sources for student meals? How will an increase in meal price or reimbursement rates affect the revenue? Are adult and other food sales likely to increase, decrease, or remain the same? What are other revenue sources, such as interest on bank deposits, food rebates, sale of surplus equipment, and other miscellaneous items?

• **Estimate expenditures carefully.** The heart of the budget preparation is estimating expenditures for the upcoming year. While it is difficult to make the estimation exact, every effort should be made to make it accurate. A worksheet with a detailed breakdown of each expense category, similar to the schedules in Section 3, may prove helpful when planning the budget.

• **Budget for the entire year.** In school foodservice it may be preferable to break down the year by months and then add the months to determine a total annual budget. For instance, the amount budgeted for revenues and expenditures for July will reflect a very different program status than the amounts budgeted for August or September. Regardless of the method, the final budget should reflect an annual financial plan.

**Analyzing the Budget**

The budget should be analyzed on a regular basis for control purposes. Budget reports should be prepared and analyzed no less often than monthly. For example, comparing actual costs with the budgeted amount for a given category may reveal trends or deviation from the standards.
Corrective Action and Budget Adjustment

The school foodservice administrator must stay in control of the budget and adjust as necessary. The end of the school year is too late to evaluate the budget and the budgeting process. It is much better to discover early on that a possible loss situation is occurring so that an immediate remedy can be sought. When the budget analysis indicates insufficiencies, school foodservice administrators should carefully examine both the revenue and expenditure sides of the budget.

Possible questions to ask when considering whether or not to increase revenue are:

- If we increase meal prices, will the benefits offset the possible decline in participation?
- Can we add catering activities to our operation?
- What about a marketing plan to increase participation?
- Are the customers satisfied? Have we asked them what they would like?
- Are teachers and administrators supportive?

Possible questions to ask when considering the expenditure side of the budget are:

- Have we analyzed program costs according to categories of expenditures?
- How do program costs in the schools foodservice operation compare to other school programs or industry standards?
- Have we involved school foodservice staff in the financial management of the operation? Do they have an understanding of the importance of cost controls to the success of the operation?
- If there is a need to reduce costs, are the reductions being made in activities that have less value to the customers?

The budget reports generated from a well-defined financial management information system can provide vital information to the school foodservice administrator. The reports can tell how the operation is performing, help administrators analyze expenditures and revenues, and provide a wealth of information for better decision-making. All school foodservice administrators must learn to use financial information to manage and improve their programs. Good administrators know this and use the budget to achieve the maximum for their program.
Sample Budget Reports
School Food Service Budget - Revenue

<table>
<thead>
<tr>
<th>Breakfast</th>
<th>Number</th>
<th>Price Charged</th>
<th>Reimbursement</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paying Students</td>
<td>57,000</td>
<td>$0.50</td>
<td></td>
<td>$28,500.00</td>
</tr>
<tr>
<td>Reduced Price</td>
<td>24,750</td>
<td>$0.30</td>
<td></td>
<td>$7,425.00</td>
</tr>
<tr>
<td>Adult Breakfast</td>
<td>930</td>
<td>$0.70</td>
<td></td>
<td>$651.00</td>
</tr>
<tr>
<td>Paying Student (Fed. R.)</td>
<td>57,000</td>
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<td>$0.20</td>
<td>$11,400.00</td>
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<tr>
<td>Reduced Student (Fed. R.)</td>
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<td>$0.80</td>
<td>$19,800.00</td>
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<tr>
<td>Free Student (Fed R.)</td>
<td>233,365</td>
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<td>$1.10</td>
<td>$256,701.50</td>
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<tr>
<td>Total Revenue/Breakfast</td>
<td></td>
<td></td>
<td></td>
<td>$324,477.50</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Lunch</th>
<th>Number</th>
<th>Price Charged</th>
<th>Reimbursement</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paying Students</td>
<td>390,420</td>
<td>$1.25</td>
<td></td>
<td>$488,025.00</td>
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<tr>
<td>Reduced Price</td>
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<td></td>
<td>$28,120.00</td>
</tr>
<tr>
<td>Adult Lunch</td>
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<td>$1.55</td>
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<td>Free Student (Fed. R.)</td>
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<td>$1.95</td>
<td>$840,177.00</td>
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<tr>
<td>Total Revenue/Lunch</td>
<td></td>
<td></td>
<td></td>
<td>$1,615,971.00</td>
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</tbody>
</table>

Other Revenue

<table>
<thead>
<tr>
<th>Revenue Item</th>
<th>Revenue from Previous Year</th>
<th>100% plus % Increase</th>
<th>Projected Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>A la carte</td>
<td>$50,000.00</td>
<td>105%</td>
<td>$52,500.00</td>
</tr>
<tr>
<td>Special Functions</td>
<td>$10,000.00</td>
<td>105%</td>
<td>$10,500.00</td>
</tr>
<tr>
<td>Interest</td>
<td>$800.00</td>
<td>0%</td>
<td>$800.00</td>
</tr>
<tr>
<td>State Matching</td>
<td>$8,000.00</td>
<td>102%</td>
<td>$8,160.00</td>
</tr>
<tr>
<td>Total Other</td>
<td></td>
<td></td>
<td>$71,960.00</td>
</tr>
<tr>
<td>Total All Revenue</td>
<td></td>
<td></td>
<td>$2,012,408.50</td>
</tr>
</tbody>
</table>

Note - Check with your state agency for the best method to project revenue from state funds. They may issue matching funds only once a year. If state funds are issued on reimbursable meals served, add another section for state revenue.
### School Food Service Budget - Expenditures

<table>
<thead>
<tr>
<th>Expenditure Category</th>
<th>Previous Year</th>
<th>Increase</th>
<th>Projected Cost/Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchased Food</td>
<td>$800,000.00</td>
<td>103%</td>
<td>824,000.00</td>
</tr>
<tr>
<td>Labor</td>
<td>$600,850.00</td>
<td>105%</td>
<td>630,892.50</td>
</tr>
<tr>
<td>Benefits</td>
<td>$200,800.00</td>
<td>102%</td>
<td>204,816.00</td>
</tr>
<tr>
<td>Supplies/Miscellaneous</td>
<td>$195,700.00</td>
<td>103%</td>
<td>201,571.00</td>
</tr>
<tr>
<td>Equipment, Capital</td>
<td>$30,000.00</td>
<td>0%</td>
<td>30,000.00</td>
</tr>
<tr>
<td>Overhead</td>
<td>$80,000.00</td>
<td>103%</td>
<td>82,400.00</td>
</tr>
<tr>
<td>Indirect Cost</td>
<td>$38,000.00</td>
<td>0%</td>
<td>38,000.00</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td></td>
<td></td>
<td><strong>2,011,679.50</strong></td>
</tr>
</tbody>
</table>
References


