FINANCIAL MANAGEMENT

FOR

NEW CHILD NUTRITION MANAGERS

2020
# 2020 New Managers’ Virtual Training
ALSDE Child Nutrition Program

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Click on the link below to access the recorded training:

Financial Management

Meal Counting and Claiming
https://alsde.webex.com/alsde/lsr.php?RCID=c97ad1bc615b4d92b1ccbb75f0fd5e77c
DO YOU VIEW YOURSELF AS A FINANCIAL MANAGER OF YOUR SCHOOL NUTRITION SITE-BASED OPERATION?
WHAT IS YOUR RESPONSIBILITY AS A CHILD NUTRITION (CNP)/FINANCIAL MANAGER?

AS A CNP/FINANCIAL MANAGER YOU ARE RESPONSIBLE FOR THE FINANCIAL HEALTH OF AN ORGANIZATION OR YOUR SCHOOL.
FINANCIAL MANAGEMENT COMFORT LEVEL
FINANCIAL MANAGEMENT

• WHAT DO YOU BELIEVE IS THE GREATEST TRAINING NEED WHEN UNDERSTANDING FINANCIAL MANAGEMENT PRINCIPLES?
FINANCIAL MANAGEMENT

• WHAT FINANCIAL MANAGEMENT TOOLS OR PROCESSES CONTRIBUTE TO A FINANCIALLY SOUND SCHOOL NUTRITION PROGRAM?
FINANCIAL MANAGEMENT

MENU
FOOD BUYING GUIDE
INVENTORY
PRODUCTION RECORDS
MEAL COUNTING AND CLAIMING
INVOICES
STAFFING
MONTHLY FINANCIAL REPORT
FINANCIAL MANAGEMENT

• MENU - WHAT PART DOES THE MENU PLAY IN THE FINANCIAL MANAGEMENT OF YOUR PROGRAM?
  • COST OF EACH ITEM
  • DAILY MEAL REIMBURSEMENT RATE
  • REIMBURSABLE MEAL
  • OVERPRODUCTION VS UNDERPRODUCTION VS BATCH FOOD PREPARATION
  • SUBSTITUTIONS-
    • STUDENT SELECTION GREATER THAN FORECASTED
    • DELIVERY SUBSTITUTIONS FROM FOOD DISTRIBUTOR
FINANCIAL MANAGEMENT

• USDA FOOD BUYING GUIDE (FBG)
  • WHAT IS THE PURPOSE OF THIS DOCUMENT?
  • WHERE IS THIS DOCUMENT LOCATED?
  • HOW MANY HAVE USED IT?
  • WHERE CAN YOU LOCATE THE FBG?
    • AVAILABLE ONLINE OR CAN BE PRINTED FROM THE USDA TEAM NUTRITION OR INSTITUTE OF CHILD NUTRITION WEBSITE.
FINANCIAL MANAGEMENT

• INVENTORY

WHAT IS INVENTORY?

MAJOR COST FACTOR IN FOOD SERVICE OPERATION IS THE NUMBER OF TIMES INVENTORY IS TURNED PER MONTH.

IF A SCHOOL RECEIVED WEEKLY DELIVERY, 7 DAY INVENTORY WOULD BE ADEQUATE
FINANCIAL MANAGEMENT

• INVENTORY
  • SHOULD CONSIDER YOUR STORAGE
  • ALSO CONSIDER HOW MUCH MONEY IS STORED

• JUST IN TIME – IS USED IN MOST SCHOOLS
  • THE PRODUCT ARRIVES AT THE SCHOOL FOR JUST IN TIME PREPARATION
  • ADVANTAGES:
    • REDUCED INVENTORY
    • REDUCED COST
    • REDUCED PAPER WORK
FINANCIAL MANAGEMENT

• PRODUCTION RECORDS
  • WHAT IS A PRODUCTION RECORD?
  • HOW DOES THE DAILY PRODUCTION RECORD ASSIST WITH MAINTAINING FOOD COSTS?

   THIS IS AN AUDITABLE RECORD AND IS TO BE MAINTAINED IN YOUR FILES
FINANCIAL MANAGEMENT

• MEAL COUNTING AND CLAIMING
  • WHY IS THIS IMPORTANT?
  • HOW DOES ACCURATE MEAL COUNTING AND CLAIMING IMPACT YOUR SCHOOL’S FINANCIAL STATUS?
  • WHAT HAPPENS WHEN A MEAL IS NOT RECORDED ACCURATELY, OR A TEACHER IS ALLOWED TO LEAVE THE SERVING AREA WITHOUT PAYING?
FINANCIAL MANAGEMENT

• INVOICES - FINANCIAL IMPACT TO YOUR PROGRAM
  • WHY SHOULD A MANAGER CHECK EACH INVOICE?
  • WHAT DOES A SIGNATURE ON AN INVOICE MEAN?
  • WHAT DOES THE PRICE ON AN INVOICE REPRESENT?
  • WHAT HAPPENS WHEN AN ITEM IS NOT DELIVERED?
  • WHERE DOES THE INVOICE GO AFTER THE MANAGER SIGNS IT?
FINANCIAL MANAGEMENT

• STAFFING
  • HOW DOES STAFFING IMPACT THE FINANCIAL MANAGEMENT OF YOUR SCHOOL’S CNP?
    • LABOR COSTS ARE ONE OF THE MAJOR COST CONTRIBUTING ASPECTS OF YOUR OPERATION
    • MEALS PER LABOR HOUR – 16 TO 18 ALABAMA STATE STANDARD
FINANCIAL MANAGEMENT

• MONTHLY FINANCIAL REPORTS
  • EACH MONTH A REPORT IS AVAILABLE FOR EACH SCHOOL IN EACH DISTRICT TO DETERMINE THE FINANCIAL STATUS BY PROVIDING
    • NUMBER OF MEALS SERVED
    • ITEMIZED EXPENDITURES
    • LABOR COSTS
    • NONFOOD EXPENDITURES
FINANCIAL MANAGEMENT

• YOUR ROLE IS IMPORTANT TO THE OPERATION TO INCLUDE FOLLOWING WRITTEN INTERNAL CONTROLS SUCH AS
  • HANDLING CASH AND PREPAYMENTS
  • RECORDING CHARGES
  • FORECASTING THE NUMBER OF MEALS PER MEAL SERVICE
  • LIMITING FOOD WASTE BY OVERPRODUCING OR PREPARING POOR QUALITY FOOD
  • TRAINED LABOR
  • STANDARDIZED RECIPES
  • FIRST IN FIRST OUT INVENTORY MANAGEMENT AND REDUCED INVENTORY
  • CARE AND MAINTENANCE OF EQUIPMENT
CNP IS A FOOD SERVICE BUSINESS
FINANCIAL MANAGEMENT
ARE YOU READY FOR 2019-20?
FINANCIAL MANAGEMENT
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(1) mail: U.S. Department of Agriculture
Office of the Assistant Secretary for Civil Rights
1400 Independence Avenue, SW
Washington, D.C. 20250-9410;
(2) fax: (202) 690-7442; or
(3) email: program.intake@usda.gov.

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New Manager
Alabama State Department of Education

Meal Counting and Claiming
2020-21
Meal Counting and Claiming
What is Meal Counting?

Cashier:

• Observes tray
• Determines if the food items = reimbursable meal
• Finalizes the transaction by ringing meals in by student number

(Computer, roster, or other approved meal counting procedures)
What is Meal Claiming?

- Daily Counts by student meal eligibility per meal service
- Added = monthly counts for individual school site
- Sent to district office who sends it electronically to state department
Is a student eligible for free or reduced meals?

- Free and Reduced application
- Direct certification (SNAP, TANF, Foster) homeless, runaway or migrant list
- POS list must reconcile with INOW student list and match eligibility
Meal Counting

How do you accept payment from students, teachers, and staff members?
At the register or before meal service?
Do you accept Deferred Revenue (Payment on Account through online or at POS)
Policies

- Do you know and do you have in your school cafeteria your district policies?
  - Charging Meals
  - Bad Check
  - Change Cash
  - Denying a Meal

>> Have a copy of the district’s policy for your files>>
Counting reimbursable meals:

- The computer recognizes students’ ID number and correctly identifies their eligibility.
- Rosters of student names for meals in the classroom or AT Risk supper and snack when POS is not available (Manual system)
- Student walks through line with all components on their tray or by teacher with all required items
Breakfast 4 Components

► 1 serving of fluid Milk
    AND
► 1 serving of Fruit / Juice
    AND
► 2 servings of Meat/Meat Alternate
    OR 2 servings of Grains/Breads
    OR 1 serving of each

Always Offer:
Point Of Service
Meal Count Review

• Breakfast:
  – Plan and Offer 4 components
  – Not Offer versus Serve
    • 4 components on tray
  – Offer versus Serve
    • 3 of the 4 components on tray
Lunch 5 Components

Always Offer:

- 1 serving of fluid Milk
  AND
- 1 serving of Meat/Meat Alternate
  AND
- 1 serving of Grains/Breads
  AND
- 2 servings of Vegetables/Fruits
Point Of Service
Meal Count Review

• Lunch:
  – Plan and Offer 5 components
  – Not Offer versus Serve
    • 5 components on tray
  – Offer versus Serve
    • 3 of the 5 components on tray
After School Snack

2 Components

Always Offer 2 of the following:

► 1 serving of fluid Milk (8 oz)
► 1 serving of Fruit / Juice (6 oz or 3/4 cup)
► 1 serving of Meat/Meat Alternate (1 oz)
► 1 serving of Grains/Breads (according to the Grains/Breads chart)
Point Of Service
Meal Count Review

• After School Snack:
  – Plan 2 components
    • Must take 2 components to be reimbursed as a snack
Claiming After School Snacks

Is it Area Eligible?

- Area Eligible
  - Claimed as all Free
Claiming After School Snacks

**Is it Non-Area Eligible?**

- **Non-Area Eligible**
  - Claimed according to Free, Reduced, or Paid status of student receiving snack
  - Snack Price
    - Reduced $.15
    - Paid determined by the local district
Claiming After School Snacks

**What is your documentation for snack?**

- Educational component
- Production Record
- Roster
  - Students are checked off as they receive the 2 components
- Computer
  - Students come through serving line, receive 2 components, and ring thru computer
Quiz

1. The students put their student number through the Point of Sale system before they go through the serving line.
   Is this reimbursable?

2. The milk cooler is located after the Point of Sale system.
   Is this reimbursable?
3. At breakfast, a student comes through the line with a biscuit and a milk. 
   **Is this reimbursable?**

4. At lunch, a student gets green beans, pineapples, and a milk. 
   **Is this reimbursable?**
5. At breakfast, a student comes through the line with a sausage biscuit.  
   Is this reimbursable?

6. Before the Head Start students come into the cafeteria, the staff prepares all of their plates and sets them on the table where they are going to sit, then rings in the students according to the attendance list.  
   Is this allowable?
ACCEPTABLE Meal Counting System

– All meal counting and claiming systems must provide an accurate point of service count of:

➢ Reimbursable Meals – Meet the meal pattern
➢ One reimbursable meal per child per meal
➢ Second student meal is counted as ala carte or priced the same as the adult meal
ACCEPTABLE Meal Counting System

– All meal counting and claiming systems must provide an accurate point of service count:

➤ By Category
➤ Each day for each meal
➤ Without revealing student eligibility

E Process is the same for Breakfast in classroom
UNACCEPTABLE Meal Counting Systems

- Counts taken in the morning in the classroom or any other location before the meals is served
- Attendance counts
- Tray or plate counts
- Adults are not paying for their meals
UNACCEPTABLE Meal Counting Systems

• Count the number of tickets/tokens *SOLD*

• Count the number of meals paid for in advance

• Use the number of Free and Reduced-price eligible students instead of the number actually served
UNACCEPTABLE Meal Counting Systems

• Subtract the count of one category from a total count to obtain another eligibility category count
• Counts taken that make a student's eligibility category obvious
UNACCEPTABLE Meal Counting Systems

• Counts taken at the beginning of the serving line without checking that the components on the tray count as a reimbursable meal

• Any count of meals served by category that is not accurate
UNACCEPTABLE Meal Counting Systems

• Delivery counts of meals
  – The number of meals delivered to a school is not necessarily the number of meals actually served.
  – The number of snacks prepared for after-school snack program is not necessarily the number of snacks actually served.
Quiz

1. A teacher comes and gets the reimbursable meals packaged for the students in detention and gives you the roster with the names checked to put into the POS system.
   Is this allowable?

2. At the alternative school, the students come in and out everyday. So, the free students nod their head to the cashier to indicate that they are free.
   Is this allowable?
Quiz

3. The collection procedure in the online application has a different procedure than is actually occurring at the site.

   Is this allowable?

4. The site information on Schedule A says the Offer vs. Serve option is being used but the staff makes the students take everything offered for the day.

   Is this allowable?
ACCEPTABLE Meal Counting System

• Ways to ensure an Acceptable Meal Counting System.
Claim for Reimbursement

• Daily meals
  – by category are totaled for the month to generate a monthly claim for reimbursement.
Daily Evaluations

- Daily Edit Checks from POS system

- Edit Check
  - Free count less than or = free count on file
  - Reduced count less than or = reduced count on file
  - Paid count less than or = free + reduced – daily attendance
Daily Evaluations

- **POS (Cafeteria Computer) =**

- **District POS (CNP Director’s Computer) =**

- **STI enrollment (School Office Computer)**

  - This makes sure district counts are accurate
Recordkeeping

- Cash register tapes, ticket/token count, roster totals
- Backing up computer system
- Daily sales reports
- Daily Edit checks from POS system
Edit Check Problems
(Red Flags)

- Meal Counts
  - exceed the number of eligible students in attendance
  - same every day
  - maximum number of eligible students eat every day
Edit Check Problems
(Red Flags)

- Meal Counts
  - repeat in patterns
  - same as the number of meals delivered
- Example: In school suspension students
Recommended at the School Cafeteria

• Two people sign the daily report to indicate the numbers were checked.

• Compare
  – Free, Reduced, and Paid Eligible to Actual Meal Counts for Free, Reduced, and Paid
  – Breakfast Counts from day to day
  – Lunch Counts from day to day
Cashier Assessment

• Can the cashier
  – identify a reimbursable meal?
  – review the menu before the meal service?
  – leave the cashier station unattended?

• Is a trained backup cashier available?
Cashier Assessment

• Does the cashier know the policies for handling:
  – Misplaced IDs, Forgotten Numbers
  – Visiting student meals
  – Adult meals
  – Second meals
  – Charging meals
FAQ - Audit Questions?

? Does the cashier have a change cash fund?
- If not, how does the cashier give change?
Does the breakfast cashier close out and balance the cash drawer before lunch?

- Strongly recommended that the breakfast cashier close out and balance the cash drawer before lunch
- If not, make sure the cashier for lunch was the same one for breakfast. Two different people cannot handle the same drawer even in the middle of meal service.
FAQ - Audit Questions, Cont.?

? Do you charge for extra portions?

? Is there an ala carte price list?

? What is your charge policy and is it enforced with EVERY student and staff member?
   - Is it the same as the board policy?
FAQ - Audit Questions, Cont.? 

? What is the procedure when a child does not have any money and they are at the register with their tray?  
- Does the cashier pull money out of her pocket?
FAQ - Audit Questions, Cont.?

- What happens if the computer freezes up?

- Does your bank deposit equal cash indicated on daily report?
Cashier Assessment

• Emergency situations
  – Is a current eligibility list printed and maintained weekly?
  • Breakfast
    – 1 By Alphabetical/Bus Number
  • Lunch
    – 1 By Numerical
    – 1 By class or when meal periods are scheduled
Onsite Reviews

1. School Food Service Review
2. School Breakfast Program Review
3. After School Snack Program Review

Get it from your director or our website:
www.cnp.alsde.edu
Onsite Reviews

Self Evaluation Tool:

▪ Helps identify problems
▪ Creates training opportunities
▪ Being successful in state audits
Systems for “checks & balances”

✓ Eligibility Documentation is correct and current

✓ Meal Counting is accurate
Systems for “checks & balances”

✓ Computerized POS counting (data entry is accurate) – program checks are in place
✓ Daily reports are accurate
✓ Daily edit checks are accurate
Systems for “checks & balances”

✓ Accurate claim consolidation
✓ Cash Reconciliation Report (Overage/Shortage)
Meal Counting and Claiming Questions
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(1) mail: U.S. Department of Agriculture
Office of the Assistant Secretary for Civil Rights
1400 Independence Avenue, SW
Washington, D.C. 20250-9410;

(2) fax: (202) 690-7442; or

(3) email: program.intake@usda.gov.

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