

# Money Management for Managers

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# **BREAK** *for a* **PLATE** **SCHOOLS**

## **Learning Code**

Event Name: New Managers' Training

Event Date: July 18, 2023 – July 19, 2023

Hours: 1.5

Professional Learning Code: 3300 & 2500

# Outline

Financial Management  
Customer Service  
Purchasing & Receiving  
Inventory  
Food Cost  
Work Scheduling  
Meal Charge Policy  
Supply Chain Disruptions





# Key Takeaways

At the end of this session, participants will be able to:

- Comprehend the importance of financial management.
- Use culinary math to manage your kitchen more efficiently.
- Understand the importance of purchasing and receiving goods (Including Buy American oversight).
- Create cycle menu work schedules (Time management).
- Discuss the importance of customer service.
- Dealing with Supply Chain Disruptions.

A blurred background image showing a group of people in a meeting. They are looking at documents and holding pens, suggesting a collaborative work environment. The text 'WHY FINANCIAL MANAGEMENT?' is overlaid in the center in a bold, red, sans-serif font.

# WHY FINANCIAL MANAGEMENT?

# What are the benefits to financial management?

1. Right thing to do.
2. Potential for promotion.
3. Reduces kitchen chaos.
4. Problem solving.
5. People gravitate to winners.



# INCREASING REVENUE





# PROFIT AND LOSS:



Revenue

Revenue

**Sales**

**\$10,000.00**



Expenses

Expenses

**Cost**

**\$7,000.00**



= Profit or Loss

**Profit**

**\$3,000.00**

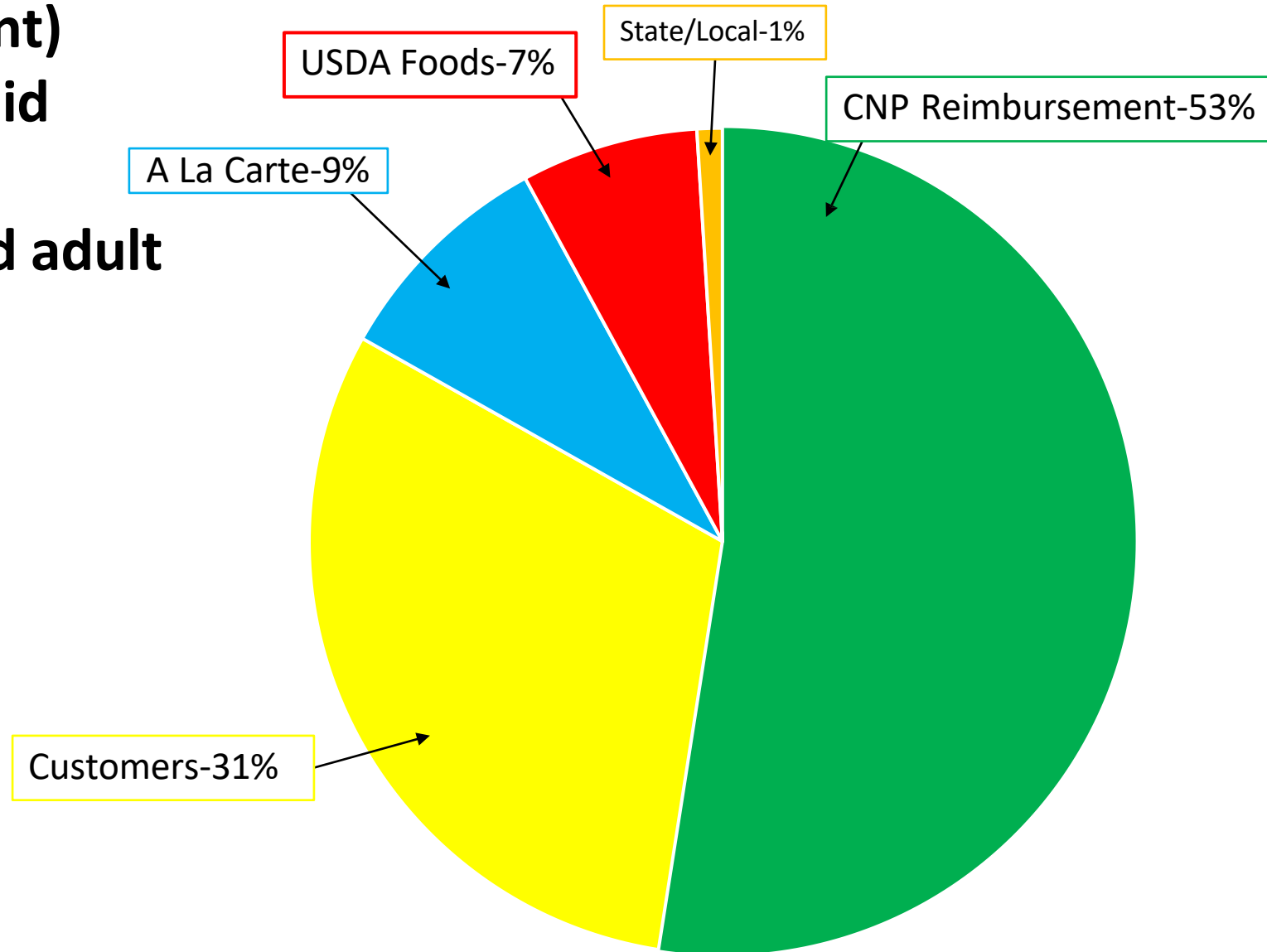


# Why should we try and make a PROFIT?

- Purchase higher quality products.
- Purchase more efficient equipment.
- Improvement to the kitchen and cafeteria.
- Increased “WAGES”!!!!

# Revenue Sources

- CNP (Federal Reimbursement)**
- Customers (Reduced and Paid Students)**
- A la carte (Includes staff and adult meals)**
- USDA Foods (Commodities)**
- State/Local Funds**



# Capture Your Revenue:

- Focus on marketing your reimbursable meals!!!!
  - CNP Reimbursable meals make up over 50% of CNP revenue.
  - Reduced and Paid Students make up over 30% of CNP revenue.
  - A la carte, Adult Meals, Staff / Faculty make up less than 10% of CNP revenue.
    - Check the prices of the extra sales items. Make sure you are making a profit and not just breaking even.
      - Line items (Pizza, Chicken wings, fries, and etc.) **Extra servings over the required serving size.**
      - Snacks (Chips, pop tarts, rice Krispie's, and etc.)
      - Drinks (Coffee, tea, soft drinks, juice, bottled water, and etc.)

# What Can You Afford: Average Revenue per Meal:

Based on SY 2019-2020 (Per pandemic)

Revenue Source (1)	Paid Lunch Elementary (2)	Free Lunch (3)	Reduced-Price Lunch (4)	Adult Lunch (5)
Cash Sales	\$2.50	\$0.00	\$0.40	\$3.00
Federal Reimbursement	\$0.32	\$3.41	\$3.01	\$0.00
USDA Commodity Value	\$0.2350	\$0.2350	\$0.2350	\$0.0000
Menu Certification	\$0.07	\$0.07	\$0.07	\$0.00
Local Funds	?	?	?	\$0.00
State Funds (Pass Thru)	?	?	?	\$0.00
Totals	\$3.1250	\$3.7150	\$3.7150	\$3.0000

# What Can You Afford: Average Revenue per Meal:

Based on SY 2019-2020 (Per pandemic)

Category Served (1)	Average Number Served (2)	(x) Revenue by Category (3)	(=) Total Revenue by Category (4)
Paid	4,000	\$3.1250	\$12,500.00
Free	1,000	\$3.7150	\$3,715.00
Reduced	550	\$3.7150	\$2,043.25
Adults	400	\$3.0000	\$1,200.00
Totals	5,950		\$19,458.25

## Average Revenue for Lunch

Total Revenue	\$19,458.25
÷ Average Number Served	5,950
= Average Revenue for One Lunch	\$3.2703

# Profit or Loss:

## Revenue Less Expense:

Revenue from one Lunch Meals	\$3.27
Average Food Cost per Lunch	\$1.32
Average Labor Cost per Lunch	\$1.55
Average Overhead/Indirect Cost per Lunch	\$0.33
Profit	\$0.07



A group of seven diverse children, including girls and boys of various ethnicities, are sitting around a table. They are smiling and looking towards the camera. On the table in front of them are several baskets and trays of fresh produce, including apples, oranges, grapes, and leafy greens. There is also a round cake on a tray. The background is a plain, light-colored wall.

# CUSTOMER SERVICE



# Customer Service

**Communication**

**Attire and Body  
Language**

**Strive to be  
Extraordinary**

**Environment**



# Convenience Sells!!!

**Most kids don't have long for lunch or don't want to wait.**

- **Do lines move efficiently?**
- **Analyze:**
  - **Where are the hold-ups?**
    - **Service line**
    - **Dish room**
    - **Cashier**



# Customer Service



## Analyze:

**How many students does your cashier process in an hour?**

- Reconfigure as needed.
- Consider pre-portioning.
  - ❖ Power Hour Lunch (Grab-N-Go):
  - ❖ Students and staff have a whole hour to eat lunch.
  - ❖ Students and staff may go to cafeteria, kiosks/booths, or CNP food trucks and pick up lunch meals and go to established dining location within the school (cafeteria, gym, courtyard, sport complex, and etc.).



# GETTING WHAT YOU ORDERED

# Statewide Procurement

## Advantages:

- **The State has already conducted the bidding procedure.**
- **Don't have to bid every item.**
- **One vendor**
- **Less Supply Chain Disruptions**

## Disadvantages:

- **If it is not on the list, don't order it without talking to the Director first.**
- **School Food Authorities (SFA) may have sub-bids for items not on the statewide bid.**

HANDBOOK

# United States Department of Agriculture (USDA) Commodities

## Advantages:

- **100% American grown**
- **Low to no cost to the SFA**
- **Meets the meal pattern**





# Inventory Management

- **Purchasing**
- **Receiving**
- **Storing & Inventory Management**
- **Food Production**
- **Serving**
- **Cashiering**

# Purchasing

Menus are the driving force that begins the purchasing process.

Utilize Cycle Menus “That Sell”

Cultural food preferences






Labor cost (skill level)

Availability

Food cost

Standardized recipes

## WHAT'S FOR LUNCH?

	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
<b>WEEK 1</b>	Cheeseburger on Bun Lettuce/Tomato/Pickle French Fries Pineapple Chunks or Oranges OR Turkey Sandwich 	Chili/Chicken Noodle Soup Grilled Cheese/Crackers Salad/Pickles Diced Peaches or Apples OR Pimento Cheese Sandwich	Chicken Nuggets Mashed Potatoes Peas Wheat Roll Strawberries or Oranges OR Peanut Butter & Jelly Sandwich	Mini Corn Dogs Baked Beans Chips SideKick Slush or Apples OR Chef Salad	Pizza Corn Salad Applesauce or Bananas OR Yogurt Box (Yogurt, Mozzarella Cheese Stick and WG Gold Fish)
<b>WEEK 2</b>	Salisbury Steak Mashed Potatoes/Gravy Green Beans Wheat Roll Pineapple Chunks or Oranges OR Chef Salad	Chicken Strips Rice Broccoli with Cheese Corn Diced Peaches or Apples OR Peanut Butter & Jelly Sandwich 	Stromboli Peppers/Onions Carrots with Ranch Chips SideKick Slush or Oranges OR Yogurt Box (Yogurt, Mozzarella Cheese Stick and WG Gold Fish)	Sloppy Joe on Bun Cole Slaw Tator Bites Carrots or Cucumbers Mandarin Oranges or Apples OR Turkey Sandwich 	Chicken Fajita Wrap Lettuce/Tomato/ Cheese Refried Beans Applesauce or Bananas OR Pimento Cheese Sandwich
<b>WEEK 3</b>	Chicken Patty on Bun Scalloped Potatoes Green Beans Pineapple Chunks or Oranges OR Chef Salad 	Pork Tenderloin Mac N Cheese Broccoli or Carrots Strawberries or Oranges OR Turkey Sandwich	Taco Salad Baked Tortilla Chips Refried Beans Lettuce/Tomato/ Cheese Diced Peaches or Apples OR Pimento Cheese Sandwich	Spaghetti w/Meat Sauce Salad Green Beans Bread Mandarin Oranges or Apples OR Yogurt Box (Yogurt, Mozzarella Cheese Stick and WG Gold Fish) 	Cheese Sticks w/Meat Sauce Mixed Vegetables Corn Applesauce or Bananas OR Peanut Butter & Jelly Sandwich



# Forecasting



- **The process of determining future needs by evaluating past performance, present conditions, and future indicators.**
- **Provide critical and valuable information.**
- **Strengthens the integrity of a purchase and bid.**

# Forecasting

## Velocity Report

- **Upon request from Distributor.**
- **Products purchased during a specific time period.**
- **Quantity, the date of purchase, and other valuable information.**
- **A tool for forecasting.**



# Ordering

## Information that you need:

- ✓ **Menu-Use menu to list all items needed.**
- ✓ **Recipes**
- ✓ **Inventory-Determine the foods and supplies in your inventory and those ordered but not received.**
- ✓ **School calendar: what are your operating days?**
- ✓ **\$\$\$ Need to know your budget.**
- ✓ **Participation averages.**
- ✓ **Order Period-items needed between deliveries (make sure you follow system procedures)**

# Getting The Right Products

- ❑ **QUALITY**
- ❑ **CONDITION**
- ❑ **SIZE**
- ❑ **COLOR**
- ❑ **QUANTITY**
- ❑ **PACK**
- ❑ **BUY AMERICAN**



# Getting What You Ordered

- **Read your specifications.**
- **Compare product code numbers.**
- **Consider organizing a product label notebook (CN Labels).**
- **Accept only approved substitutions.**
- **Verify all agriculture products meet the “Buy American” standards.**
  - ❖ **If an agriculture product is not produced in America, ensure that the CNP director is aware and approves the product before accepting.**
- **Check temperatures.**

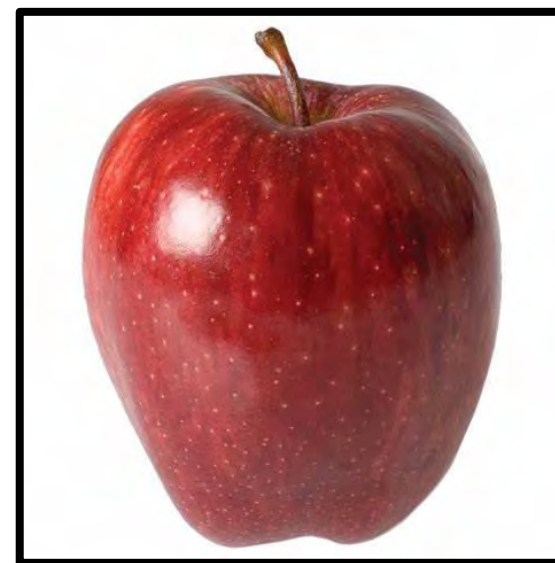
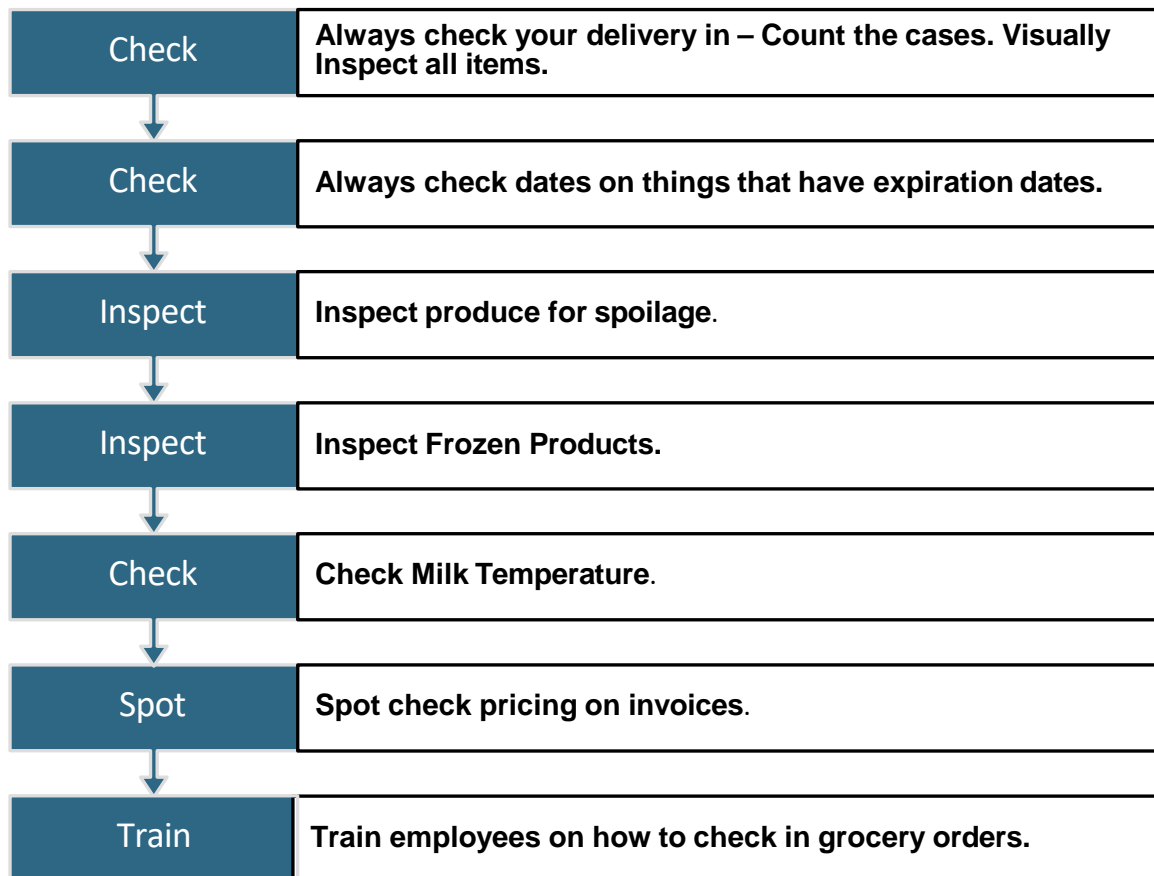
# Receiving Product



- Turn the box upside down.
- Know the Grade; Check the Grade.
- Look before they leave!
- Ensure the Product is “USA”.



# Receiving Product

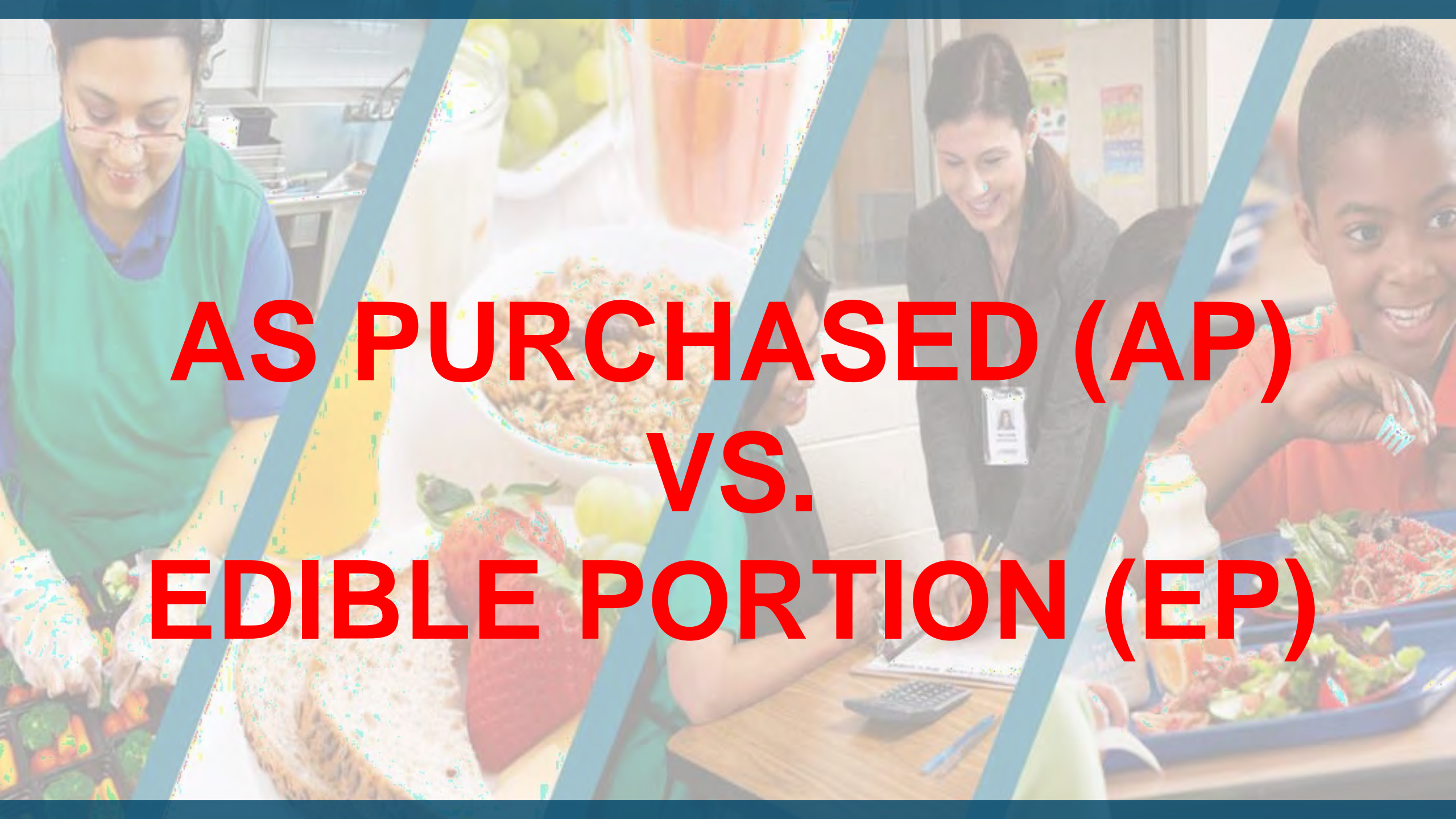


# Receiving Product

- Make sure the correct product is being delivered, especially if you receive a substitution.**
- Reject unacceptable goods or products.**
- Mark through any item on the invoice that were delivered or were not delivered. Have the driver initial the error.**
- Once you sign the invoice you are saying that it is correct.**
- If you have problems...let your Director know.**







**AS PURCHASED (AP)**

**VS.**

**EDIBLE PORTION (EP)**

# Definitions

## As Purchased (AP):

The form of the ingredient as it was purchased or delivered.

## Edible Portion (EP):

The amount of ingredient that can be used in food preparation after removing trimmings or waste from the as purchased product.

Section 2 - Vegetables					
1. Food As Purchased, AP	2. Purchase Unit	3. Servings per Purchase Unit, EP	4. Serving Size per Meal Contribution	5. Purchase Units for 100 Servings	6. Additional Information
<b>Starchy Vegetables - CORN (continued)</b>					
<b>Corn, frozen</b> <i>Whole Kernel, Includes USDA Foods</i>	Pound	11.00	1/4 cup cooked vegetable	9.10	
<b>Corn, frozen</b> <i>Corn on the cob, 3-inch ear (cobbette)</i>	Pound	4.25	1/4 cup cooked vegetable (about 1 cobbette)	23.60	1 lb AP = 0.53 lb (about 1 cup) edible portion cooked corn
<b>Corn, frozen</b> <i>Corn on the cob, 5-1/4-inch ear (medium)</i>	Pound	2.44	1 medium cooked ear (about 1/2 cup cooked vegetable)	41.00	1 lb AP = 0.52 lb (about 1-1/8 cups) edible portion cooked corn
<b>Other Vegetables<sup>1</sup> - CUCUMBERS</b>					
<b>Cucumbers, fresh</b> <i>Whole, Unpared</i>	Pound	11.10	1/4 cup unpared, diced vegetable	9.10	1 lb AP = 0.98 lb (about 2-3/4 cups) ready-to-serve raw, unpared, diced cucumber

# $EP \div AP = \underline{\hspace{2cm}} \text{ yield}$

## Example:

**A good condition tomato weights 8.3 oz as purchase (AP), but weights 7.8 oz after prep for edible portion (EP)**

### Calculation

$$7.8 \text{ oz (EP)} \div 8.3 \text{ oz (AP)} = .939 \text{ yield}$$

**A poor condition tomato weights 8 oz as purchase (AP), but weights 5.8 oz after prep for edible portion (EP)**

### Calculation

$$5.8 \text{ oz (EP)} \div 8 \text{ oz (AP)} = .725 \text{ yield}$$

A close-up photograph of a person's hands writing in a notebook. The person is wearing a ring on their left hand and a bracelet on their right. A laptop keyboard is visible in the background. The text "DETERMINING NUMBER OF DAY'S WORTH OF INVENTORY" is overlaid in red on the image.

# DETERMINING NUMBER OF DAY'S WORTH OF INVENTORY

# Food Represents Money



**Too much food in inventory costs money because of storage costs and the possibility of the food losing quality during storage.**



# Inventory

## 7-10 Days' Worth



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## Turnover 2-3 Times Per Month



# Determining Number of Days of Inventory

## Four Calculations:

1. Food Cost for the Month
2. Average Daily Food Costs
3. Number of Days in Inventory
4. Turnover Rate

# FOOD COST FOR THE MONTH





# Food Cost for the Month

<b>Beginning Inventory:</b>	<b>\$12,573.00</b>
<b>+ Monthly Purchases:</b>	<b><u>\$15,668.00</u></b>
<b>Subtotal</b>	<b>\$28,241.00</b>
<b>- Ending Inventory:</b>	<b><u>\$ 8,233.00</u></b>
<b>=Food Cost for the Month:</b>	<b>\$20,008.00</b>

# Average Daily Food Cost

<b>Food Costs for the Month:</b>	<b>\$20,008.00</b>
<b>÷ Number of Serving Days in the Month:</b>	<b><u>19</u></b>
<b>= Average Daily Food Costs:</b>	<b>\$ 1,053.05</b>

# Days Worth of Inventory

<b>Ending Inventory:</b>	<b>\$8,233.00</b>
<b>÷ Average Daily Food Costs:</b>	<b><u>\$1,053.05</u></b>
<b>= Number of Days in Inventory:</b>	<b>7.8</b>

**Days worth of inventory is with in the 7-10 days standards**

# Calculating the Inventory Turnover Rate

**Number of serving days in the month: 19**  
**÷ Number of Days of Inventory: 7.8**  
**= Turnover Rate: 2.4**

**\* Turnover Rate is within the 2-3 times per month standards**

# Benefits of Inventory Turnover Include:

Ordering quantities to ensure items are available for projected menus.

Reducing risk of theft because items missing are easily identified.

Rotating inventory can help to reduce waste and ensure higher quality products.



# Managing Kitchen Efficiency

# Plan the Work; Work the Plan!

## Work Schedules

- **Based on menu for the day**
- **Communicates expectations**
- **Consideration of kitchen specifics:**
  - **Participation**
  - **Equipment**
  - **Space**
  - **Product form**

**Efficient inputs = less tired staff = better morale  
+ improved productivity!**



# Work Schedule Per Cycle Menu

	1	2	3	4
Position:	Manager	Cook	Staff	Cashier
Number of Hours:	8 (6am - 2pm)	6 (7am - 2pm)	5 (8am - 1:30pm)	4 (10am - 2pm)
6:30 - 6:45	Record Storage temps/Roll out Buns from freezer			
6:45 - 7:00	Breakfast setup			
7:00 - 7:15		Help manager w/breakfast/ sanitizer buckets		
7:15 - 7:30	Cashier breakfast	Serve breakfast		
7:30 - 7:45	Cashier breakfast	Serve breakfast		
7:45 - 8:00	Put away breakfast / Clean lines	Assist Mgr. clean lines		
8:00 - 8:15	Count money / Prepare cash drawers	Prepare 6 pans of chicken alfredo	Prepare Cucumber tomato salad	
8:15 - 8:30	Pull breakfast for Tuesday	Prepare 6 pans of chicken alfredo	Prepare Cucumber tomato salad	





# Work Plan; Lunch Break

## **Group Lunch Break:**

**All CNP staff seat and eat together.**

### **Advantages:**

**Morale: Lifts the Spirit**

**Time Management: Staff Meeting/Staff Discussions**

### **Disadvantages:**

**Decrease in work performance.**

**Decrease in quality of food.**

**Increase in overhead/indirect cost.**



# PLATE COST

# Plate Cost for Breakfast



## Menu example:

<b>Milk</b>	<b>\$ .32</b>
<b>Apple Juice</b>	<b>\$ .22</b>
<b>Peach Cup</b>	<b>\$ .47</b>
<b>Cereal</b>	<b>\$ .32 (after Rebate)</b>
<b>Yogurt</b>	<b><u>\$ .33</u></b>
<b><u>Total:</u></b>	<b>\$1.66</b>
<b>Total Menu food cost = \$1.66</b>	

# Food Cost for Menu Item



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## Recipe example:

**Recipe: Ham & Cheese Sandwich, with mayo and mustard  
2 oz. ham, 1 oz. cheese, 1 each PC-Mustard &  
Mayo**

**Ham 4/2.5 lbs. is \$42.73**

**\$0.53/2 oz. Serving**

**Cheese 4/5 lbs. is \$65.41**

**\$0.20/1 oz. Serving**

**Bread 10/24oz is \$26.05**

**\$0.22/2 Slices**

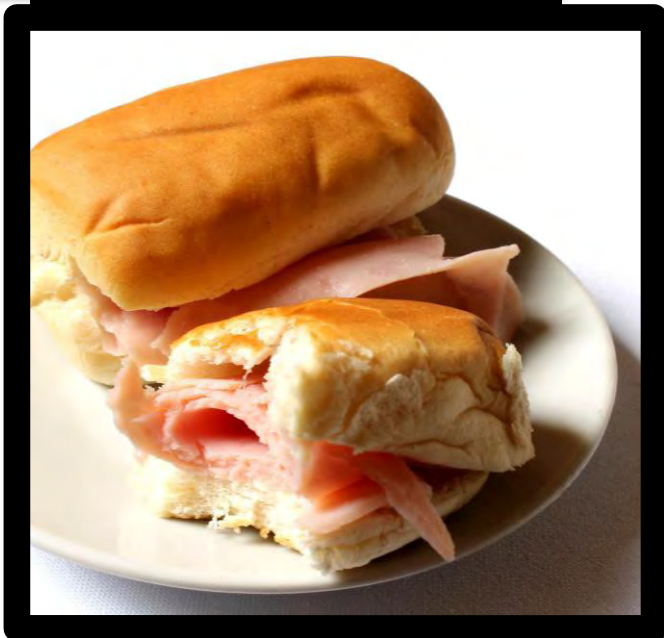
**Mustard 500/7 g is \$17.46**

**\$0.03/pc**

**RF Mayo 200/12 g is \$21.49**

**\$0.11/pc**

**Total Recipe food cost = \$1.09**



A group of seven diverse young children are sitting around a table. In front of them are several baskets filled with various types of food, including bread, fruit, and vegetables. The children are smiling and looking towards the camera. The background is a plain, light-colored wall.

# **Charge Meal Policy and Collection**

# Charge Meal Policy



**Important**

**Know your school systems Unpaid Meals Charge Policy.**

**Know the State and Federal Requirements of Unpaid Meal Charges.**

- 1. School Food Authorities are required to have a written policy.**
- 2. Collection procedures need to be defined or specified.**
- 3. CNP is not allowed to have bad debt.**
- 4. The SFA has to repay the bad debt at either school year end or fiscal year end at the SFA's discretion.**
  - ❖ The parents / guardians must pay all unpaid meal charges, or the school district must cover the bad debt with non-public funds.**

# Charge Meal Policy

## Suggested Collection Procedures:

- ❑ A system needs to be in place to notify the Managers or staff when a meal has been charged.
- ❑ The Managers should notify the CNP Director, Principal, and/or any other authorized representative when meal charges occur according to charged meal policy procedures.
- ❑ Notify the parents by emails, letters, and/or telephone calls of the students with unpaid meal charges.
- ❑ At school year end or fiscal year end, the bad debt should be paid from non-public funds (PTA, fundraisers, donations, principal, superintendent, and etc.) to the CNP account. The school district should set up a bad debt account for unpaid meals in an attempt to collect the funds.



A group of seven diverse children are sitting around a table, smiling. In front of them are several baskets filled with various food items, including fruits like apples, oranges, and grapes, as well as bread and vegetables. The scene is brightly lit and appears to be a healthy meal or snack time.

# Chain Supply Disruption



# Chain Supply Disruptions

## Problems:

- I can't get what I ordered.
- Items on bid are not available.
- Staffing problems.
- Backordered.
- Out of production.

# Chain Supply Disruptions

## Solutions

- **Communicate with your CNP Directors,**
- **Communicate with your Distributors / Vendors**
- **Communicate with your Delivery Drivers**
- **Have a backup plan for out of stock and backorders**
- **If you can't get it from your supplier, is there a suitable substitute?**
- **See if it is available somewhere else until, your supplier is able to provide it.**

# The Supply Train:



It's not my place to run the train, the whistle I can't blow.  
It's not my place to say how far the train's allowed to go.  
It's not my place to shoot off steam, nor even clang the bell.  
But let the thing jump the track...  
**AND SEE WHO CATCHES**

**KALE!!!!!!**

**KALE Yeah!**



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