



## Budgeting For Success

School food service professionals face growing pressures to operate Child Nutrition Programs with a high degree of efficiency. With budgetary considerations that vary from labor hours and food costs to equipment maintenance, food service directors are often looking for ways to make their program more cost-effective. You will need to demonstrate that your program will be cost-effective, too, in order to gain buy-in from key stakeholders!

### Identifying Costs and Funding Opportunities

Whether your school or district is new to the School Breakfast Program (SBP) or simply switching to (or adding) a new breakfast service delivery method, sketching out a basic outline of your predicted input costs is a must; without a solid prediction of how much your breakfast program will cost to operate, you will not have a precise sense of the revenues you will need to generate through sales in order to maintain a financially viable meal service. Among the costs you will need to consider:

- **Food/Supplies**
  - What types of foods will be served? How might your food purchases be broken down for accounting purposes?
    - How often will various types of foods be served?
    - Will these foods have any special delivery or storage requirements?
    - Have you optimized delivery schedules of goods needed for SBP and other food service operations to minimize transportation and handling costs?
    - How will you separate the cost of food served in the breakfast program from the cost of foods served in the lunch program?
  - Do you have contracts in place for food purchasing or a food service management company that would need to be modified to accommodate breakfast service?
    - Would modifications constitute a material change to the existing contract requiring either a separate contract be procured or the current contract be rebid? (see FNS policy memorandum SP 02-2010)
  - What packaging materials will be necessary for providing breakfast service? How variable is this cost based on your serving model?

- **Labor**

- How many staff members on your direct payroll will be involved with providing breakfast service?
- How many hours will they work daily? Weekly?
- Would overtime hours be a consideration?
- Are there labor contracts in place that would need to be modified to accommodate new or expanded breakfast service?

Additionally, make sure that you identify any additional funding opportunities that might be available to you. Does your State offer additional reimbursement for breakfast or SBP expansion grants? Do they set aside any dedicated funding for additional equipment purchases? At the local level, is there a possibility of securing any additional support to establish or expand the breakfast program? If not, aside from exploring grant opportunities, consider a longer term goal to work with Child Nutrition Program advocates and elected officials to promote State and local funding for school breakfast.

### **The Resources in this Section**

Cost-effectiveness is a key component of all decisions related to labor, food purchasing, and equipment maintenance. These resources may help you calculate and maximize the cost-effectiveness of operating the School Breakfast Program.

Using the **SBP Profit/Loss Worksheet** included as part of this toolkit, you can calculate a target participation level in order to generate sufficient reimbursement/income to offset costs. Can the program sustain itself? Administrators and other stakeholders may lend more support to the action plan if the program is self-supporting or will reduce the financial burden on a district's general funds.

*Note:* This worksheet allows you to tally broad categories of inputs (expenditures for labor, food, and supplies in relation to reimbursement) but is *\*not\** intended to provide a line item for every specific cost and revenue source. However, you may aggregate these figures for use with the worksheet, or use the worksheet as a template for creating a more detailed, personalized budget document.

Using the worksheet, try accounting for costs and revenues over varying lengths of time. We have not specified any period over which to enter data in the worksheet fields, but depending on whether you choose to enter daily, weekly, or monthly data, you can run simple calculations to determine predictors for costs and revenues for any period throughout the school year. You can then use these predictions to analyze your program costs either prior to or following implementation, and make adjustments as needed.

You may also refer to the **Strategies for Efficient Budgeting** document for tips on how to optimize your current costs and achieve cost/revenue balance.