Budgeting for Success

Your budget is the key to understanding the financial side of the Summer Food Service Program (SFSP). Like any well-run business, your SFSP needs a budget to help you establish priorities, make decisions and know how your Program dollars will be generated and spent.

A realistic budget lets you see your cash needs and helps you control your expenses. It lets you forecast the amount of available revenue, how it will be allocated, and how much money will be left. It keeps you on track to building a successful Summer Meal Program!

Go to **Resources**.

What are Your Full Costs?

What is your breakeven point? Are you spending too much on labor or not enough on food? How do you keep costs low? Your budget gives you the answers you need to measure the effectiveness of your Program.

As a sponsor, you want to use your budget to:

- Set specific Program goals for now and for the future;
- Compare your current food service plans with what you were able to accomplish in the past;
- Identify potential problems in your food service operation;
- Predict the amount of money that will be available to your Program;
- Predict how much money you will spend during the operation of your Program; and
- Compare your actual Program results with the outcomes that you had desired.

What Should You Consider in Planning the Budget?

Solid financial information
Your accounting records are essential because they will show you results that will help you plan and make decisions.

Long-term goals
You need to plan for the future and think beyond this summer's Program.

Evaluation
By routinely comparing actual costs and revenues with those in your budget, you can see trends and catch problems early enough to correct them.

As part of your SFSP budget-planning process, be sure to:

- Obtain and review past financial records;
- Establish long-term Program goals;
- Cautiously estimate your expenses;
- Budget your fixed costs first;
- Realistically identify sources of revenues;
- Incorporate all potential sources of revenues;
- Calculate a budget for each month of your SFSP;
- Add each month's budget together to determine a total budget; and
- Analyze the budget regularly.

What Goes Into the Budget?

The “in” side of your budget is revenue, the funds your Program takes in through SFSP reimbursement, food sales to adults and other activities supported by your Program and income from other sources, including grants and cash donated specifically for the food service.

	Current Year			Prior Year
REVENUES	Budget	Actual	Budget vs. Actual	Actual Program Expenses
Meal Reimbursements				
Activity Fees				
Food Sales to Adults				
Grants				
Cash Donations				

What Comes Out?

The “out” side is expenditure, the costs your Program pays for providing meals and managing SFSP. Although cost accounting has been eliminated for sponsors, you still need to understand how to manage the operational costs of your food service and your administrative costs.

What are Operating Costs?

When we talk about operating or food service costs, we mean the direct expenses you incur to "put meals on the table." Operating costs include the SFSP share of what you pay for:

- Processing, transporting, storing and handling food;
- Salaries of cooks, site personnel and other food service workers;
- Utensils, plates, soap and other nonfood supplies;
- Rental of kitchen and food service equipment;
- Maintenance and repair of rented equipment;
- Kitchen utilities;
- Trash removal and clean-up;
- Pest control services;
- Supervising children;
- Transporting children to and from rural sites; and
- Meals that may be served to SFSP workers and volunteers.

		Current Year			Prior Year
OPERATING EXPENSES	SFSP Share	Budget	Actual	Budget vs. Actual	Actual Program Expenses
Food					
Food service labor salaries and benefits					
Non-food supplies					
Rental of food preparation space and equipment					
Maintenance of food preparation space and equipment					
Utilities					
Vehicle rental and maintenance					

What are Administrative Costs?

Costs you incur for activities related to planning, organizing and administering the Program, including the SFSP share of salaries and other allowable expenses incurred for:

- Preparation of the sponsor's application;
- Establishing sites;
- State and local licensing fees;
- Attending training;
- Hiring and training of SFSP staff;
- Procurement of meals;
- Site monitoring; and
- Processing of claims for reimbursement.

ADMINISTRATIVE EXPENSES	SFSP Share	Current Year			Prior Year
		Budget	Actual	Budget vs. Actual	Actual Program Expenses
Admin staff salaries and benefits					
Office space rental					
State and local licensing fees					
Use allowance of furniture and fixtures					
Office supplies					
Utilities					
Building maintenance					
Audit fees					
Transportation					
Communication					
Insurance					
Legal fees					
Indirect cost					

Resources

USDA

- *Utilizing Grants and Unique Partnerships to Serve More Summer Meals*. http://www.fns.usda.gov/utilizing-grants-unique-partnerships-serve-more-summer-meals
- *How I Became a Summer Food Service Program Sponsor in Maine* https://www.youtube.com/watch?v=1e5EtWsvfUA

Food Research and Action Center

Staying in the Black: Operate a Cost-Effective Summer Food Program
http://frac.org/wp-content/uploads/2010/04/sfsp_staying_inthe_black.pdf

Share Our Strength

Financial Management – No Kid Hungry Summer Meals Calculator
https://bestpractices.nokidhungry.org/sponsor-center/financial-management

For Additional Information

Review these ideas and adopt the strategies that seem reasonable to you and achievable for your Program. For additional questions, sponsors and the general public should contact their State agency for help. State agencies should contact their Food and Nutrition Service (FNS) Regional Office.

List of FNS Regional Offices: http://www.fns.usda.gov/fns-regional-offices

List of State Agencies: http://www.fns.usda.gov/cnd/Contacts/StateDirectory.htm

USDA and its recipient institutions share responsibility for compliance and oversight to ensure good stewardship of Federal funds.