



# Recipe for Success

---

SNP BACK TO SCHOOL CONFERENCE

**Resource Management**

**Mike Gogerty**

|

**Toby Turek**

Equity • Quality • Collaboration • Community



## Resource Management

The Healthy, Hunger-Free Kids Act of 2010 (HHFKA) amended the Richard B. Russell National School Lunch Act requiring a unified accountability system designed to ensure that participating school food authorities (SFAs) comply with National School Lunch Program (NSLP) and School Breakfast Program (SBP) requirements.

- Resource Management is the overall look at the financial status of a School Food Authority (SFA)
- Review will be in conjunction with Administrative Review

Equity • Quality • Collaboration • Community

Recipe   
for Success

SNP BACK TO SCHOOL CONFERENCE



# Resource Management

Conjunction with  
the Administrative  
Review

- Reviews conducted within same year
- Separate Monitors between reviews
- Shared announcements and report findings



# Resource Management – Schedule of Review

Announcement – AR and RM

Survey Request – Determination of Review

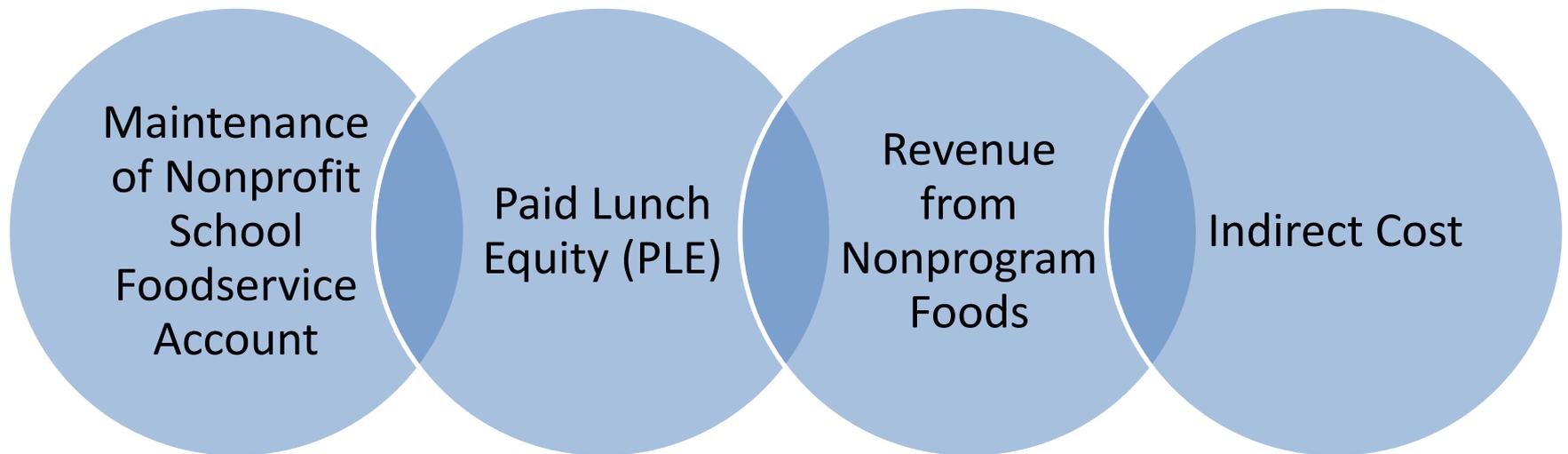
Schedule review

Review held

Review submitted through WINS system



## Resource Management – Areas of Review





# Resource Management Key Process Issues

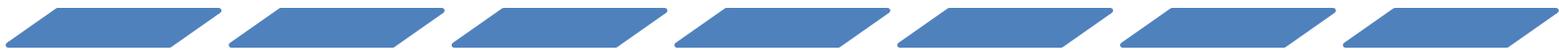
Turnover



Lack of Communication



Lack of Collaboration





# Nonprofit School Foodservice Account

## Recipe for Success

SNP BACK TO SCHOOL CONFERENCE

Equity • Quality • Collaboration • Community

Overall look of financials; revenues vs. expenses to determine profit or loss

- Annual Financial Reports and General Ledgers

Net Cash Threshold review

- Holding more than 3 months operating expenses
- Spend down plan required

Purchases review through 10% of invoices

- Allowability of purchases



# Nonprofit School Foodservice Account

## Key Issues

Steep deficits

- No citation here, but obvious concern

Over Net Cash  
Threshold

- Capital Improvements
  - Do the students benefit from those improvements?
- New Equipment

Unallowable  
purchases

- Account must be repaid

Equity • Quality • Collaboration • Community



# Paid Lunch Equity (PLE)



Purpose of PLE is to increase paid lunch prices to align the total compensation of all free, reduced, and paid students.



USDA Target rate for 2023-24 program year:  
\$3.56

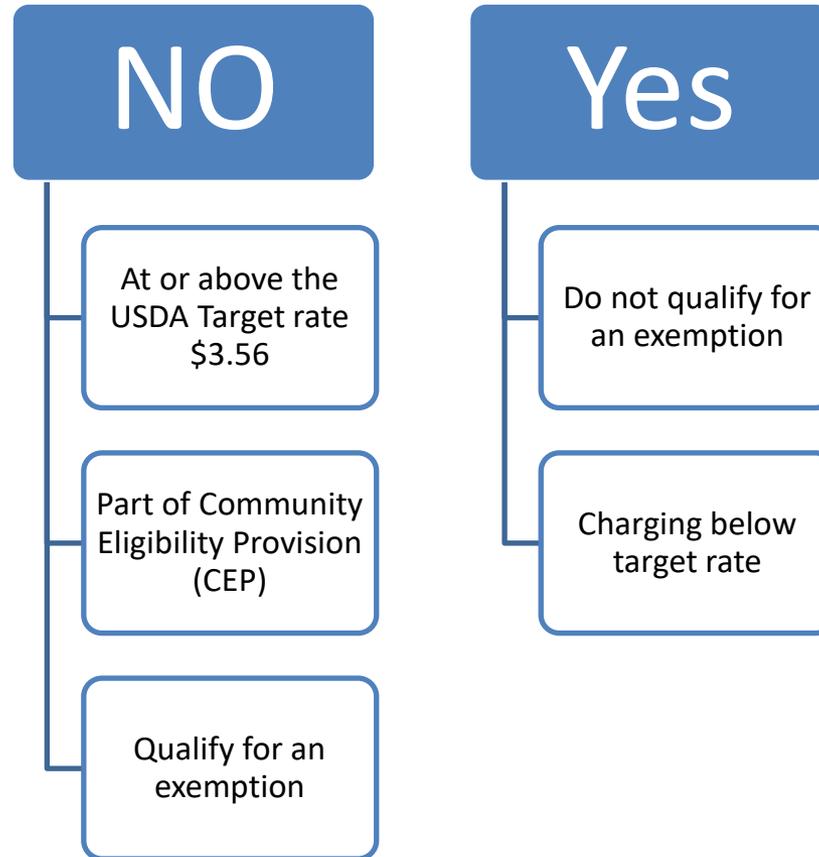


Maximum to charge Reduced students:

- Lunch: \$0.40
- Breakfast: \$0.30



## Is PLE Required



Equity • Quality • Collaboration • Community



## PLE Tool Unrounded Requirement Finder

Complete if you do NOT know your SY 2022-23 Unrounded Price Requirement		
<b>Annual Unrounded Requirement Finder</b>		
Enter the SY 2010-11 Weighted Average Price below		
** The weighted average price for SY 2010-11 is the weighted average of all paid lunch prices charged in the SFA		
SY 2010-11 Weighted Average Price	Unrounded Price Requirements	
	Price 1: SY 2021-22 Requirement price to the nearest cent	Price 2: SY 2022-23 Requirement price to the nearest cent
\$ 1.54	\$ 2.49	\$ 2.64

Step 1	
Enter the SY 2022-23 Unrounded Price Requirement in the box below	SY 2023-24 Weighted Average Price Requirement
This is found in Section 1: Box A of the SY 2022-23 REPORT from the SY 2022-23 tool or below (Price 2)	Requirement price to the nearest cent
\$ 2.64	\$ 2.89
<p>Note: Above prices are based on adjusting SY 2022-23 price requirement by the 2% rate increase plus the Consumer Price Index (7.4%)</p>	

Equity • Quality • Collaboration • Community



## PLE Tool Price Calculator

SY 2023-24 Weighted Average Price Requirement	
Requirement price to the nearest cent	Optional price requirement ROUNDED DOWN to nearest 5 cent
\$ 2.89	\$ 2.85
<i>Note: Above prices are based on adjusting SY 2022-23 price requirement by the 2% rate increase plus the Consumer Price Index (7.4%)</i>	

SY 2022-23 Weighted Average Price Calculator			
Enter the paid prices and number of paid lunches sold at each price for <b>October 2022.</b>			
Monthly # of Paid Lunches	Paid Lunch Price	Monthly Revenue	SY 2022-23 Weighted Average Price
3,336	\$ 2.75	\$ 9,174.00	
5,434	\$ 2.50	\$ 13,585.00	
		\$ -	
		\$ -	
		\$ -	
		\$ -	
		\$ -	
		\$ -	
		\$ -	
		\$ -	
<b>8,770</b>		<b>\$ 22,759.00</b>	
<i>Note: SY 2022-23 Weighted Average Price equal to or above the target price of \$3.56 is compliant for SY 2023-24. \$3.56 is the difference between the Free and Paid reimbursement rates for SY 2022-23.</i>			



## PLE Tool Price Calculator

Equity • Quality • Collaboration • Community

### Options from this point

#### 10 cent cap

- This is the most ISBE can require an SFA to increase
- Annual increases each year will maintain compliance

#### Total Price Increase

- Following year will likely require increase

#### Contribute Nonfederal funds

- Annual paid lunches \* \$0.10

Total Price Increase for SY 2023-24	
\$	0.25

Required price increase for SY 2023-24 (with 10 cent cap)	
\$	2.70

Remaining increase carried forward to SY 2024-25	
\$	0.15

Price Increase Requirement for SY 2023-24 (with \$0.10 cent cap)	SY 2023-24 Annual Non-Federal Source Contribution (with \$0.10 cent cap)
\$ 0.10	\$ 11,361.60



# Paid lunch Equity Key Issues

Tool Not Completed

- Reasons stated
  - Did not know we were required
  - Received an exemption. Did not receive, chose not to complete.

A tool, but no increase

- “We did not want to increase the price for our families”

Tool completed incorrectly

- All three issues here lead to a citation and loss for the SFA



# Revenue from Nonprogram Foods

Recipe   
for Success

SNP BACK TO SCHOOL CONFERENCE

Equity • Quality • Collaboration • Community

Overall look at the revenue NOT tied to the reimbursable meal

- A la carte
- Adult Meals
- Vending/Catering

Tools to determine Compliance

- Revenue from Nonprogram Foods Calculator
- 5 Day Tool
- Locally generated Spreadsheets

Expectations of review and key issues



## Nonprogram Foods Key Issues



BACK TO SCHOOL CONFERENCE

Still have some programs with low a la carte pricing or cannot produce even locally generated spreadsheets for compliance



BACK TO SCHOOL CONFERENCE

Adult meal prices still too low  
Transitioning SFAs from pricing to CEP  
Adults/staff angry over price increases



BACK TO SCHOOL CONFERENCE

Vending machines running in competition with school meals program  
Food service program purchasing food for other events and not being reimbursed  
STAFF MEALS catered by the district

Equity • Quality • Collaboration • Community



# Indirect Cost



SNP BACK TO SCHOOL CONFERENCE

Function to charge the Food Services account for shared expenses

Tools to determine Compliance

- Indirect Cost Rates are published on ISBE website

Expectations of review and key issues



## Indirect Cost

### Rates Used

- Indirect Cost rates are published on ISBE website
- Nonpublic school may use up to de minimis rate of 10%
- Programs outside of nonpublic and do not have published rate may use state average

### Major Functions

- Top uses of indirect cost go to utilities: gas, water, electricity.
- Biggest issue comes to trash removal, this falls under indirect cost.
- If you want food services to pay trash, look to use indirect cost all areas allowed

### Required Documentation

- First question will be; What Indirect Cost Rate do you use?
- We will match with general ledger to ensure what functions are billed to 2560 account
- Invoices (if MNSF not done) to verify percentages

Equity • Quality • Collaboration • Community



# Any Questions

Mike Gogerty [mgogerty@isbe.net](mailto:mgogerty@isbe.net)



Toby Turek [rturek@isbe.net](mailto:rturek@isbe.net)

Equity • Quality • Collaboration • Community