

## 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 Summer Meal Program needs a budget to help you establish priorities and decide how to generate and spend your Program dollars. It will keep 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.



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#### Summer Meals Toolkit

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## Long-term goals

You need to plan for the future and think beyond this summer's Program operation.

## 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 revenue;
- Incorporate all potential sources of revenue;
- Calculate a budget for each month of your SFSP;
- Add each month's budget together to determine a total budget; and
- Analyze your budget regularly.

## What Goes Into Your Budget?

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





<b>REVENUES</b>	Current Year		Prior Year
	Budget	Actual	Budget Versus Actual Program Expenses
Meal Reimbursements			
Activity Fees			
Food Sales to Adults			
Grants			
Cash Donations			

## What Comes Out?

The “out” side of your budget 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 Your 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.

<b>OPERATING EXPENSES</b>	SFSP Share	Current Year			Prior Year
		Budget	Actual	Budget Versus 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 Your 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.

<b>ADMINISTRATIVE EXPENSES</b>	SFSP Share	Current Year			Prior Year
		Budget	Actual	Budget Versus 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

- *Administrative Guide for Sponsors*  
<https://www.fns.usda.gov/sfsp/2016-administrative-guidance-sponsors>
- *SFSP Reimbursement Rates*  
<https://www.fns.usda.gov/sfsp-reimbursement-rates>





## Food Research and Action Center

*Staying in the Black: Operating a Cost-Effective Summer Food Program*

<https://frac.org/research/resource-library/staying-black-operating-cost-effective-summer-food-service-program>

## Share Our Strength: No Kid Hungry Campaign

*Implement Best Practices – Strengthen Financial Management*

<https://bestpractices.nokidhungry.org/playbook/community-providers/implement-best-practices#strengthen-financial-management>

## For Additional Information

Review these ideas and adopt the strategies that seem reasonable to you and achievable for your Program. The Summer Meals Toolkit has even more creative ideas and resources at <https://www.fns.usda.gov/sfsp/summer-meals-toolkit>

Do you have more questions? Sponsors and the general public should contact their State agency for answers. State agencies should contact their Food and Nutrition Service (FNS) Regional Office.

List of FNS Regional Offices: <https://www.fns.usda.gov/fns-regional-offices>

List of State Agencies: <https://www.fns.usda.gov/contacts>

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