

Money Management for CNP Managers



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ALSDE Child Nutrition Programs





BREAK *for a* PLATE

SCHOOLS

Learning Code

Event Name: New Managers' Training

Event Date: July 7-8, 2026

Hours: 1.5

Professional Learning Code: 3300 & 2500

Outline:

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



Financial Management



Profit and Loss



Revenue

Revenue

Sales

\$10,000.00



Expenses

Expenses

Cost

\$7,000.00



= Profit or Loss

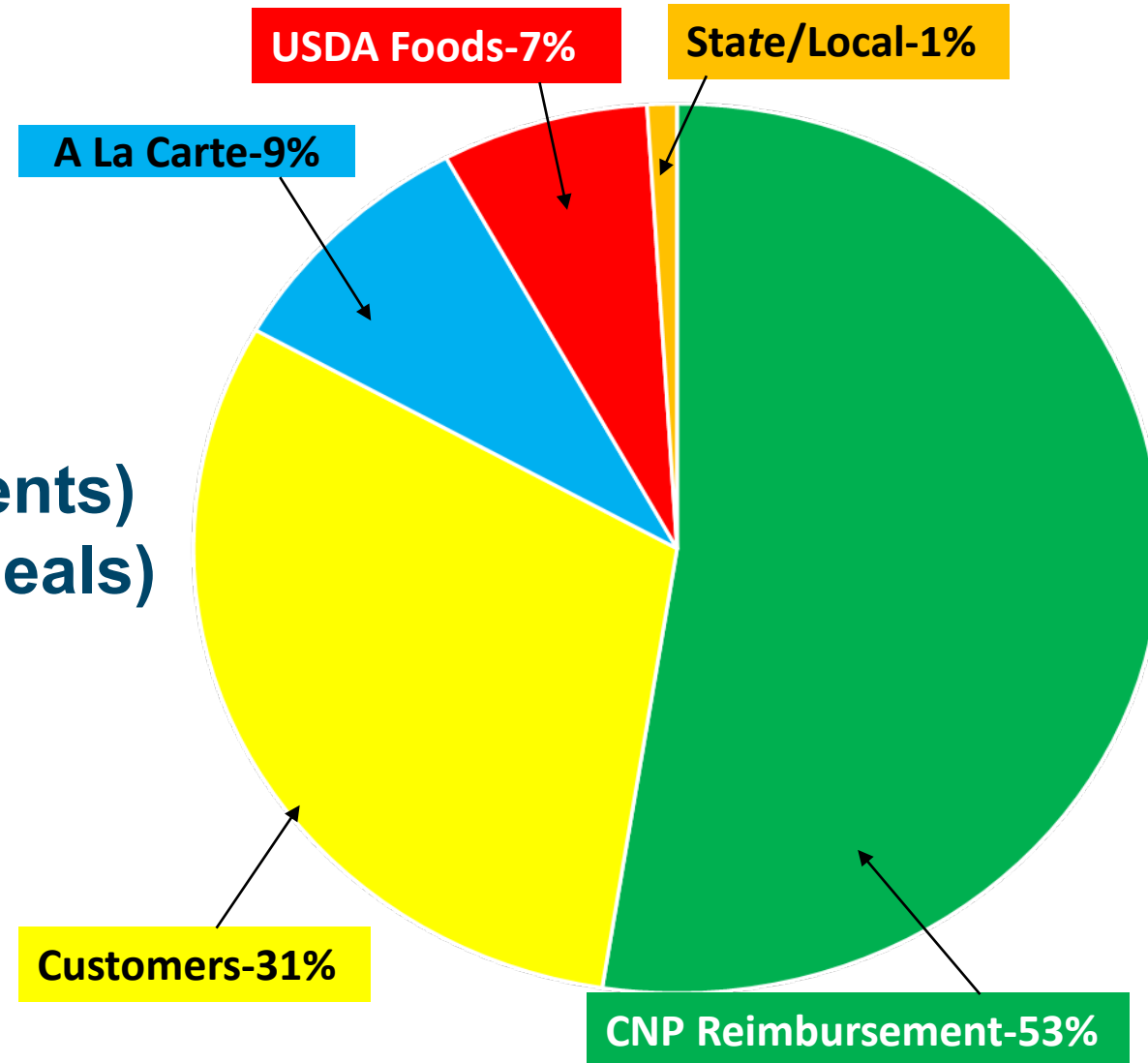
Profit

\$3,000.00

Revenue Sources

Focus on promoting your reimbursable meals!

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



Food Cost



Plate Cost for Breakfast



Menu example:

Milk	\$.35
Apple Juice	\$.21
Peach Cup	\$.44
Cereal	\$.34 (after Rebate)
Yogurt	<u>\$.34</u>
Total:	<u>\$1.68</u>

Total Menu food cost = \$1.68

Food Cost for Menu Item



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 \$71.66

\$0.22/1 oz. Serving

Bread 10/24oz is \$26.05

\$0.22/2 Slices

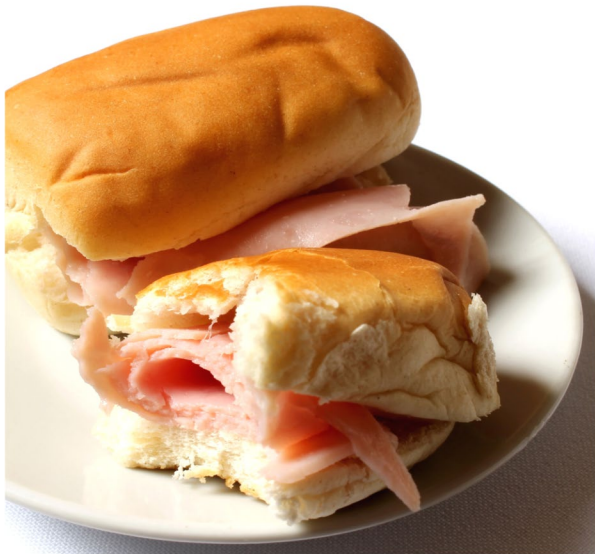
Mustard 500/7 g is \$17.46

\$0.03/pc

RF Mayo 200/12 g is \$21.49

\$0.11/pc

Total Recipe food cost = \$1.11



Profit or Loss

Revenue Less Expense:

Average Revenue per Lunch	\$4.71
Average Food Cost per Lunch	\$1.32
Average Labor Cost per Lunch	\$1.55
Average Overhead/Indirect Cost per Lunch	<u>\$0.33</u>
Profit	\$1.51



Profit or Loss

Revenue Less Expense:

Average Revenue per Lunch	\$4.71
Average Food Cost per Lunch	\$1.52
Average Labor Cost per Lunch	\$1.55
Average Overhead/Indirect Cost per Lunch	<u>\$0.33</u>
Profit	\$1.31



Pennies into Dollars

Profit: \$1.51 x 800 meals x 173 days = \$208,984.00

Profit: \$1.31 x 800 meals x 173 days = \$181,304.00

\$27,680 less profit



Why try to make a profit?

- **Purchase higher quality products**
- **Purchase more effective equipment**
- **Make improvements to the kitchen and cafeteria**
- **Increase wages**

Purchasing & Receiving

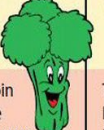
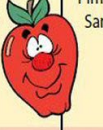
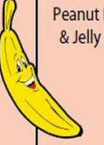


Purchasing/Ordering

Menus are the driving force that begin the purchasing process.

- List grocery items based on planned menu
- Review recipes to assure all ingredients are ordered
- Use forecasting tools to calculate all quantities needed in servings
- Know your participation averages
- Determine operating days based on school calendar
- Know your ordering period (weekly, biweekly)
- Determine the foods and supplies in your inventory and those ordered but not received

WHAT'S FOR LUNCH?

	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
WEEK 1	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)
WEEK 2	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
WEEK 3	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

USDA Commodities

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

Best Practices:

- Keep separate inventory list
- Refer to USDA inventory before placing orders for purchased food
- Make changes on production records to assure staff pulls correct items and to maintain accurate inventory records



Forecasting

Production Records

- **Keep accurate records so they are useful to you & your staff**
- **Make notes/comments especially if shortages or excessive waste occurred**
- **Complete PLANNED servings column and inspect quantities produced**
- **Regularly participate in or observe end of service counting and use of leftovers**



Forecasting

Velocity Report

- Request from Distributor
- Products purchased during a specific time-period
- Quantity, date of purchase, and other valuable information
- Tool for forecasting



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
Starchy Vegetables - CORN (continued)					
Corn, frozen <i>Whole Kernel, Includes USDA Foods</i>	Pound	11.00	1/4 cup cooked vegetable	9.10	
Corn, frozen <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
Corn, frozen <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
Other Vegetables¹ - CUCUMBERS					
Cucumbers, fresh <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

$$EP \div AP = \% \text{ Yield}$$

Examples:

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

Calculation

7.8 oz (EP) $\div$ 8.3 oz (AP) = .939 or 93.9% Yield

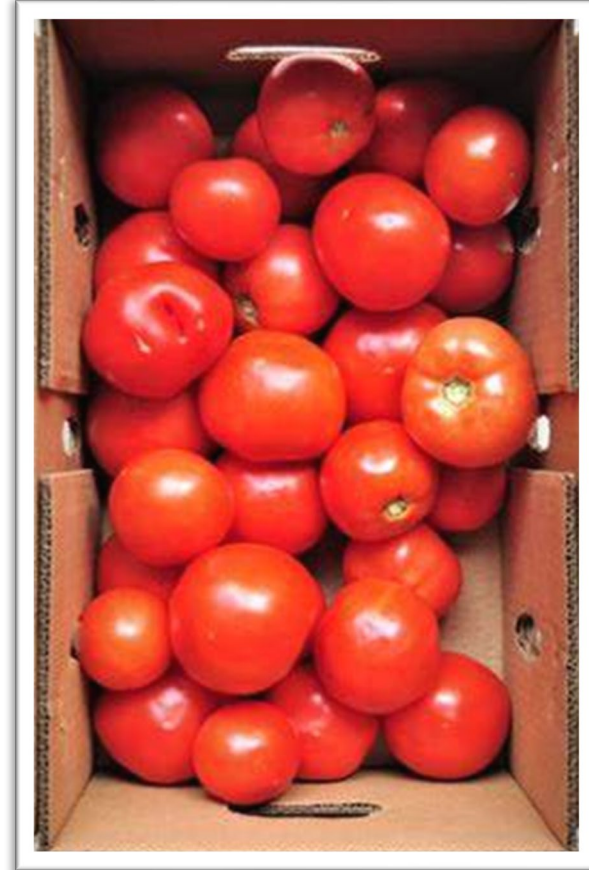
Recipe 20 lbs of peeled tomatoes = $20 \div .939 = 21.3$ lbs

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

Calculation

5.8 oz (EP) $\div$ 8 oz (AP) = .725 or 72.5% Yield

Recipe 20 lbs of peeled tomatoes = $20 \div .725 = 27.6$ lbs



Chain Supply Disruption



Chain Supply Disruptions

I didn't get what I ordered!

PROBLEM



Reasons:

- Items on bid are not available
- Items on backorder
- Items out of production
- Vendor staffing problems

Chain Supply Disruptions

SOLUTION

Communicate with your CNP Director:

- What is an allowable substitute that follows the meal pattern?
- Is the substitute item on the state bid?
- Is the item available elsewhere until your supplier can provide it?

Have a backup plan for out of stock and backorders!



Inventory Management



Inventory Management

Perpetual Inventory – System that tracks the receipts and use of inventory and calculates the quantity on hand.

- Convert cases to servings so they match up with production records.
- Multiply the number of servings per case by the number of cases on hand to determine servings on hand.
- Record received inventory after each truck delivery.
- Deduct used inventory from the record daily.
- Update current inventory list before the next grocery order is placed.

Physical Inventory – The process of physically counting and recording the entire inventory.

First In, First Out (FIFO) – Stock rotation where the first items added to inventory are the first items sold or used. Older stock is used first to minimize waste and reflect current cost.

Truck Day

Prep for delivery day:

- Organize coolers/freezers/storerooms before delivery
- Consolidate and discard



Receiving List

Delivery Week: 8/4/2025

Date Received: _____

Order Number: 0000-08-04-25

Invoice No.: _____

Date Ordered: 5/19/2025

Received By: _____

Item	Description	Ordered			Received	
		Quantity	Price	Total	Quantity	Price
13022	Black Beans	1.00	\$32.40	\$32.40		
13206	Corn, WK, fzn	2.00	\$21.62	\$43.24		
13214	Peas and Carrots, fzn	1.00	\$28.72	\$28.72		
10502	Sausage Patty, Fully cooked	2.00	\$49.06	\$98.12		
10202	Sour Cream, (bulk)	2.00	\$34.68	\$69.36		
14000	Sliced Bread, Loaf, WG	1.00	\$26.05	\$26.05		
20409	Freezer Bags, w/Zipper closure (1 gallon)	2.00	\$16.32	\$32.64		
10104	Cheddar Cheese, Shredded	4.00	\$62.69	\$250.76		
14009	Whole Grain Croissants, Sliced, frozen	1.00	\$62.35	\$62.35		
19020	Jam, Strawberry (single serve)	1.00	\$18.92	\$18.92		
13013	Tomato Paste	1.00	\$42.58	\$42.58		
13002	Peppers, Jalapeno, Sliced	1.00	\$40.97	\$40.97		
16124	Toasted Pastry, Blueberry Filled, IW WG	1.00	\$41.00	\$41.00		
16108	Toasted Pastry, Strawberry filled, IW, WG	1.00	\$41.00	\$41.00		
16119	Toasted Pastry, Fudge filled, Frosted, WG	1.00	\$41.00	\$41.00		
16120	Toasted Pastry, Brown Sugar and Cinnamon Filled, WG	1.00	\$41.00	\$41.00		
19002	Ranch Salad Dressing (bulk)	2.00	\$56.36	\$112.72		
13234	Sweet Potato Fries	6.00	\$33.95	\$203.70		
13225	Onion Rings, Breaded, fzn	6.00	\$62.18	\$373.08		
20517	Can Liners, to fit 55 gal can	3.00	\$26.89	\$80.67		
18104	Cookie, Chocolate Filling, IW WG, fully cooked	2.00	\$63.63	\$127.26		
10102	American Cheese, Processed Loaf, Sliced 1/2oz	3.00	\$71.66	\$214.98		
14309	Cornmeal, Self Rising, White, Enriched	2.00	\$18.25	\$36.50		
20216	Paper Food Tray, #40, Coated, Bottom to be 3 1/2" length x 2" width, 1 1/4" height	1.00	\$22.24	\$22.24		
20217	Paper Food Tray, #100, Coated, Bottom to be 4 1/2" length x 2" width, 1 3/4" height	1.00	\$30.61	\$30.61		

Delivery day:

- Use a receiving list
- Label boxes/cans with received date
- Store items using First In, First Out (FIFO)
- Enter items into perpetual inventory
- Report any discrepancies to your Director

Getting The Right Products

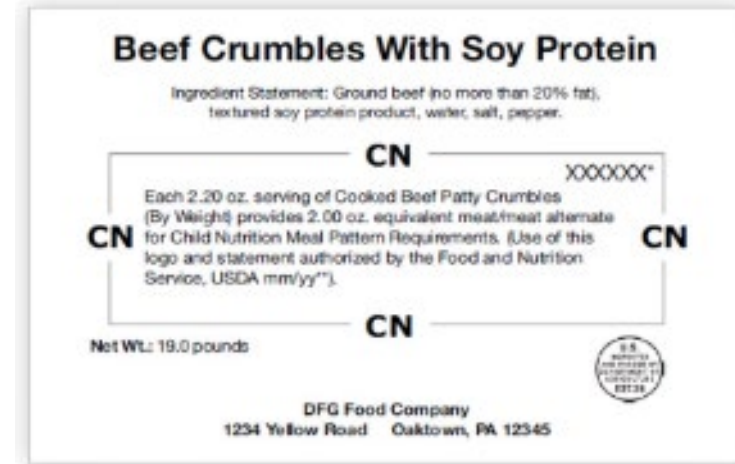
- **QUALITY**
- **CONDITION**
- **SIZE**
- **COLOR**
- **QUANTITY**
- **PACK**
- **BUY AMERICAN**



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 the U.S., ensure that the CNP director is aware and approves the product before accepting
- Check temperatures



Receiving Product

- Inspect boxes for quality issues
- Know the GRADE - Check the GRADE
- Ensure the product is “USA”
- Look before the driver leaves!



Receiving Product

CHECK



CHECK



INSPECT



CHECK



INSPECT



INSPECT



CHECK



TRAIN

Always check in your delivery

Count the number of cases

Visually inspect all items

Always check expiration dates

Inspect produce for spoilage

Inspect frozen products

Check milk temperature

Train employees to check in grocery orders



Receiving Product

- Make sure the correct product is being delivered, especially if you receive a substitution.
- Reject unacceptable goods or products.
- Check off items on the invoice that were delivered.
- Mark off items that were not delivered. Have the driver initial the error!
- Once you sign the invoice, you are saying that all items were received.
- If you have problems, let your Director know.

Receiving List						
Delivery Week: 8/4/2025			Order Number: 0000-08-04-25		Date Ordered: 5/19/2025	
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20409	Freezer Bags, w/Zipper closure (1 gallon)	2.00	\$16.32	\$32.64	_____	_____
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Determining Number of Day's Worth of Inventory



Food Represents Money

Too much food in inventory is costly because it increases storage expenses and can lose quality over time.



Inventory

7-10 Days' Worth



Turnover 2-3 Times Per Month



Determine 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. Inventory Turnover Rate

Food Cost for the Month

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



Average Daily Food Cost



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

Number of Days in Inventory

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



***Number of days in inventory is within the standard of 7-10 days**

Calculating Inventory Turnover Rate

$$\begin{array}{rcl} \text{Number of serving days in the month:} & & 19 \\ & \div & \\ \div \text{ Number of Days of Inventory:} & & \underline{7.8} \\ \text{= Turnover Rate:} & & 2.4 \end{array}$$



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

Benefits of Inventory Turnover

- **Ordering quantities to ensure items are available for projected menus.**
- **Reducing risk of fraud and abuse because items missing are easily identified.**
- **Rotating inventory can help to reduce waste and ensure higher quality products.**



Poor Inventory Management

- **Overstuffed freezers**
- **Last minute prep**
- **Last minute substitutions**
- **Substitutions may not meet meal pattern**
- **All students not having access to all foods on the menu**
- **Fear of running out (FORO)**
- **Unhappy customers**



Inventory Management

Best Practices:

- Time orders to match prep and service days
- Check product case size for ordering
- Calculate quantity needed using the correct serving size
- Avoid ordering too far ahead
- Review menu including serving sizes with staff daily
- Serve the appropriate serving size on the serving line
- Check production records for waste & yield information
- Rotate stock and consolidate boxes (FIFO)
- Spot check high volume inventory as needed
- Conduct physical inventory counts monthly at minimum



The background of the slide is a photograph of a commercial kitchen. It features stainless steel countertops, a large metal sink, and various pieces of equipment. A blue banner is overlaid across the middle of the image, containing the title text.

Work Scheduling



Plan the Work, Work the Plan!

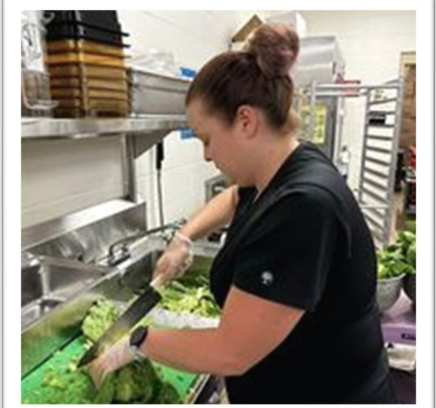
Work Schedules:

- Based on menu for the day
- Communicate expectations:
 - Quantities needed based on participation
 - Time expectations
 - Equipment
 - Prep space
 - Serving line



Work Schedule

	1	2	3	4
Position:	Manager	Cook	Staff	Cashier
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	





Customer Service

Customer Service

Communication

**Attire and Body
Language**

Environment

**Strive to be
Extraordinary**



Customer Service

Communication:

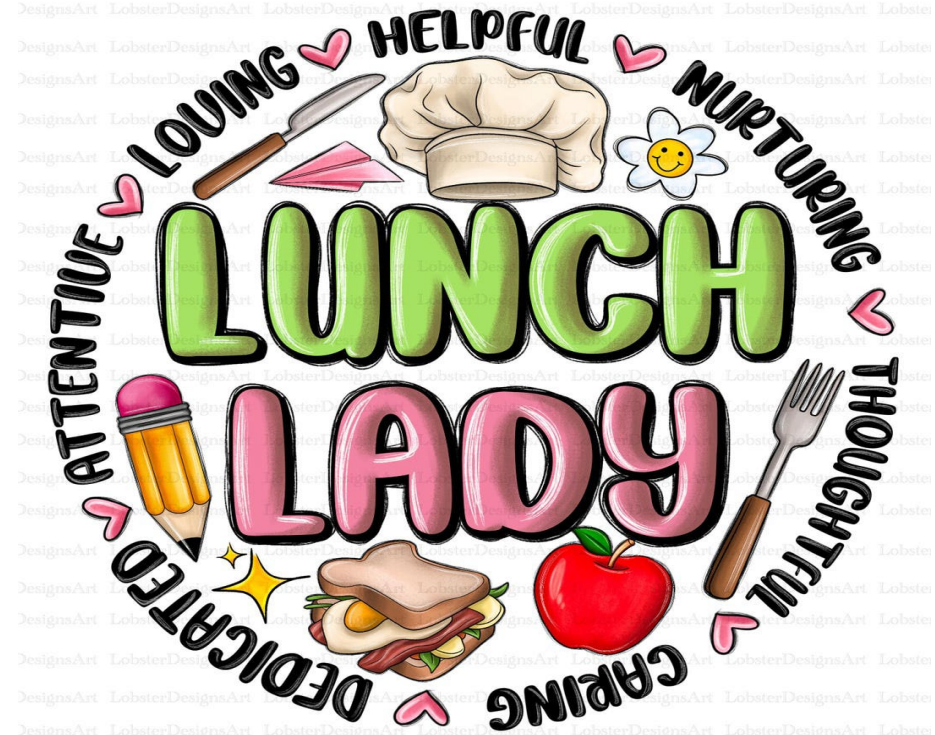
- Communicate expectations with your staff daily
- Friendly communication with customers

Attire & Body Language:

- Clean uniforms and hair restraints
- Positive attitude
- Wear a smile!

Environment:

- Clean serving lines and cafeteria
- Engaging atmosphere



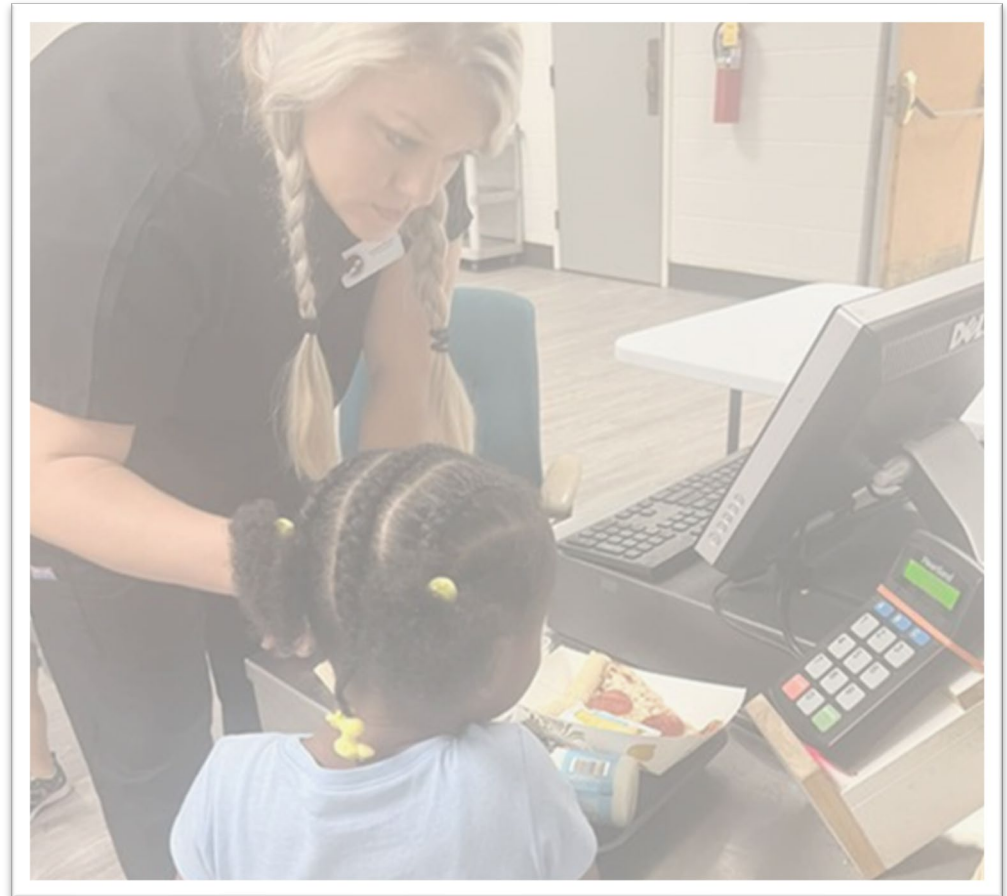
Convenience Sells!

Most students either don't have much time for lunch or don't want to wait.

Do lines move efficiently?

Where are the hold-ups?

- **Service line**
- **Cashier**
- **Dishroom**



Customer Service



Analyze:

How many students does your cashier process in an hour?

- **Reconfigure as needed**
- **Consider pre-portioning**
- **Grab-N-Go**
- **Kiosk/Carts**
- **Food Truck**

The background image is a blurred photograph of a food service counter. In the foreground, a white plate contains a banana, broccoli, and other vegetables. Next to it is a small container of orange sauce and a white bottle with a blue cap. In the background, a person's hands are visible, one holding a US dollar bill. A cash register and a keyboard are also visible on the counter.

Charge Meal Policy

Charge Meal Policy



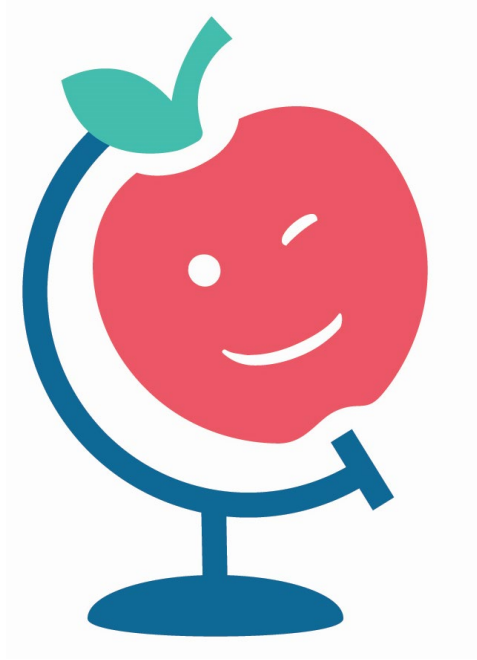
Important

Know your district's Unpaid Meals Charge Policy:

- Number of meals/days/\$\$ students are allowed to charge?
- No charges allowed for a la carte!
- No charges allowed for teachers/staff/visitors!

- System needs to be in place to notify the manager or cashier when a meal has been charged.
- The manager should notify the CNP Director and/or Principal when meal charges occur according to charged meal policy procedures.
- Collection procedures need to be defined: When to notify the parents of the students with unpaid meal charges?

CNP is not allowed to have bad debt.



Questions?
ASK US!



Training: ALSDE New Managers' Training
Training Hours: 10 hours

USDA Professional Learning Code(s):

Nutrition: 1100

Operations: 2100, 2400, 2500, 2600

Administration: 3200, 3300, 3400

Marketing: 4100