

Budget Administration

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What is a budget?

- ▶ Formal written document for a specific period of time
- ▶ It is a plan that charts the course
- ▶ It is created using department goals and objectives
- ▶ A budget should include the best information available at the time.

Budget Development

- ▶ Budget Timeline - Create a Calendar
 - ▶ Start the process in January for next school year
 - ▶ First draft submitted in March
 - ▶ Revisions possible through July
 - ▶ Final budget adopted by BOE in October
 - ▶ Budget adjustments mid- year are not easy

Gather the Data

- ▶ Data by time period
 - ▶ Previous fiscal year
 - ▶ July 2017 to - June 2018
 - ▶ Current year to date
 - ▶ July 2018 to December 2018

Gather the Data

▶ Revenues

- ▶ Participation - meal counts
- ▶ Reimbursement amounts
- ▶ Free/reduced percentages
- ▶ Ala carte
- ▶ Catering
- ▶ Contracts
- ▶ Other

Gather the Data

- ▶ Expenses
 - ▶ Labor costs
 - ▶ Food costs
 - ▶ Equipment costs
 - ▶ Paper costs
 - ▶ Chemical costs
 - ▶ Contracts
 - ▶ Other

Analyze the Data

- ▶ Trends in the industry/program
- ▶ Cheers - data that shows a positive trend
- ▶ Fears - data that shows a concerning trend

Setting Goals

Preparing for Change

- ▶ New program regulations
- ▶ Equipment, vehicle, lunch trays
- ▶ Training/conferences
- ▶ Marketing
- ▶ Starting a new program
- ▶ Changing food service delivery
- ▶ Retirements, hiring, etc.

Wisconsin Uniform Financial Accounting Requirements

- ▶ Know the WUFAR accounting system
- ▶ Ensures statewide uniformity
- ▶ Allows for comparisons internally between schools and externally between districts
- ▶ <https://dpi.wi.gov/sfs/finances/wufar/overview>

Fund 50 Food Service Fund

- ▶ All revenues and expenditures related to pupil and elderly food service activities are recorded in this fund. A fund balance in the Food Service Fund is permitted. There may be no deficit in the district's Food Service Fund. Any food service fund deficit, resulting from **student** food services, must be eliminated by an operating transfer from the General Fund. Any food service fund deficit, resulting from **elderly** food services, must be eliminated by a transfer from the district's Community Service Fund. The maximum that may be transferred if the district does not have a deficit in the Food Service Fund is limited to an amount necessary to cover a current year deficit in a particular food service program (National School Lunch, Breakfast, Ala Carte, etc.)

WUFAR Account Coding

Fund	Location	Source	Function	Project
XX	XXX	XXX	XXXXXX	XXX
50	800	251	257200	000

Fund	Location	Object	Function	Project
XX	XXX	XXX	XXXXXX	XXX
50	400	415	257200	000

Location

100 Elementary Schools

200 Middle Schools

400 High School

800 District

Sources of Revenue

- 150 Transfers from Fund 10
- 251 Pupils Meals
- 252 Adults Meals
- 253 Elderly Meals
- 259 Other Food Service Sales
- 280 Earnings on Investments
- 617 State Food Service Aid
- 714 Donated Commodities
- 715 Cash in Lieu of Commodities
- 717 Federal Food Service Aid
- 730 Federal Special Projects Aid Transited Through DPI
- 861 Sale of Equipment

Objects - Expenses

100 Labor Salaries	353 Postage
212 Retirement/WRS	354 Printing
222 Soc. Security	387 Commodity Handling
230 Life Ins.	411 Supplies
240 Health Ins.	415 Food
250 Other Ins.	420 Apparel
290 Other Benefits	551 Equipment purchase
310 Contracted Serv.	561 Equipment Replacement
330 Utilities	570 Equipment rental
342 Employee travel	942 Employee Dues & Fees
351 Advertising	

Functions

257100 Direction of Food Services

257200 Food Prep. and Dispensing

257300 Food Delivery

257900 Other Food Services

257900 Other

253000 Operations

254000 Maintenance

Source	Project	Program
617	543	State School Breakfast Aid SSBA
617	542	State School Lunch Aid MATCH
617	545	WI Elderly Nutrition Improvement
617	544	WI School Day Milk Program
717	547	Food Service Aid National School Lunch
717	547	Food Service Aid National School Lunch Private
717	546	Food Service Aid School Breakfast
717	546	Food Service Aid School Breakfast Private
717	548	Food Service Aid Special Milk Program
717	548	Food Service Aid Special Milk Program Private
717	566	NSL Area Eligible Snack Program
717	566	NSL Area Eligible Snack Program Private
717	561	NSL Snack Program
717	561	NSL Snack Program Private
717	586	Summer Food Service Program
717	586	Summer Food Service Program Private
730	595	USDA FFVP July Private
730	594	USDA FFVP July Public
730	376	USDA FFVP October Private
730	376	USDA FFVP October Public
730	531	CN School Food Equipment Grant Private
730	531	CN School Food Equipment Grant Public
730	552	Team Nutrition Grant - Private
730	552	Team Nutrition Grant - Public

Budget Reports

- ▶ Financial Software
 - ▶ Skyward
 - ▶ Other?

- ▶ Explanation of Terms
 - ▶ FY Activity
 - ▶ Revised Budget
 - ▶ FYTD Activity
 - ▶ Unencumbered Bal
 - ▶ FY %

Build the Budget - First Draft

- ▶ What tools are you going to use?
 - ▶ MS Excel spreadsheet
 - ▶ Financial reports from business office
- ▶ First time set-up is time consuming
 - ▶ Make it usable year after year
 - ▶ Keep it as simple as possible
- ▶ Use data collected to forecast
- ▶ Incorporate WUFAR account codes
- ▶ Underestimate revenues/overestimate expenses

Budget - Balanced?

- ▶ Revenues equal expenses
- ▶ Revenues higher than Expenses - increases fund balance
- ▶ Expenses higher than Revenues - decreases fund balance
- ▶ What is Fund Balance?
- ▶ Appropriate uses of Fund Balance

Increase Revenues

- ▶ **Increase Participation**
 - ▶ **Breakfast**
 - ▶ **Lunch**
 - ▶ **Ala Carte**
 - ▶ **Catering**
 - ▶ **Other**
- ▶ **Increase Prices**
- ▶ **Other?**

Reducing Expenses

▶ Labor Cost

- ▶ Retirements/Resignations
- ▶ Job Sharing (reduces benefits)
- ▶ Paid Time off (sub cost)
- ▶ Using “non food service” employees (breakfast?)
- ▶ Other

▶ Food Cost

- ▶ Leftovers and waste
- ▶ Benchmarking meal costs
- ▶ Menu Mix (expensive menus vs less expensive menus)
- ▶ Use of USDA commodities
- ▶ Other

Reducing Expenses

- ▶ Programs losing money?
 - ▶ Breakfast
 - ▶ Lunch
 - ▶ Ala Carte
 - ▶ Catering
 - ▶ Other

Now What?

- ▶ Complete budget docs per business office
- ▶ Add supporting documentation
- ▶ Schedule meeting with business manager
- ▶ Present budget packet to business manager
- ▶ Be prepared for questions
- ▶ Be prepared for revisions
- ▶ If necessary schedule another meeting

Budget Monitoring

Critical Functions

- ▶ Daily Monitoring
 - ▶ Production records versus POS reports
 - ▶ Leftovers/waste
- ▶ Weekly Monitoring
 - ▶ Invoices
 - ▶ Do you approve invoices before payment?
 - ▶ Labor
 - ▶ Paid time off
 - ▶ Substitute costs

Budget Monitoring

- ▶ Monthly Monitoring
 - ▶ Revenue/Expense reports from financial system
 - ▶ Detail report for all revenues posted
 - ▶ Detail report for expenses (obj. 300-999 only)
 - ▶ Summary report - all Fund 50 accounts
- ▶ Inventory Control
 - ▶ Customer theft?
 - ▶ Employee theft?
- ▶ Document problem areas each month
- ▶ Be prepared to explain budget discrepancies

Comparing Budget to Actual

- ▶ When the fiscal year closes
 - ▶ Wait for the audit to be done
- ▶ How well does the budget match actual?
 - ▶ Business office report
- ▶ Make adjustments to next budget
 - ▶ Ask questions if numbers don't match

Conclusion

- ▶ Building a budget is time consuming the first time
- ▶ Know the numbers
- ▶ Don't let this task get “pushed” aside
- ▶ You are the expert (not the business manager)
- ▶ Wow the stakeholders
- ▶ Pat yourself on the back for a job well done

Sources of Information

- ▶ www.nfsmi.org
- ▶ <https://dpi.wi.gov/school-nutrition>
- ▶ treudend@deerfield.k12.wi.us