

Budgeting and Reporting Activities

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Budgeting and Reporting Activities

- Project Student Enrollment
- Evaluate Instructional Program(s) Costs
- Develop Annual Budgets
- Manage Grant Activities
- Prepare for Annual Audit

Basic Assumptions

School budgets are under fiscal stress

- Not enough revenue

- Limits on increasing local tax levy
- Reduced State Aid continues

- Too many expenses

- Retirement Contribution Rates remain high
- Common Core
- The list goes on

Basic Assumptions

Districts have few options

- Reduce Programs

- Fewer electives – AP, foreign language, etc.
- Reduced sports, music, art, library, after school, etc

- Reduce amount of Programs

- Fewer sections
- Larger class size
- Close school buildings

Enrollment Projections

Reasons for Decline in Live Births

- Aging Population
- Personal Preference
- Increase in College attendance
- Delayed Family Creation
- Smaller Families
- National Trend

Projection Methods

- Ad Hoc – “gut feeling”
- Moving Averages
- Exponential Smoothing
- Linear Regression
- Cohort Survival

Cohort Survival

- How many births “survive” to Kindergarten?
- How many Kindergarteners “survive” to 1st Grade?
- How many 1st Graders “survive” to 2nd Grade?

...and so on, and so on.

Elementary Projections

- **Number of Sections Per Grade / Per Building**
 - **Current Year**
 - **Projected Year**
- **Class Size Guidelines**
 - **Identify potential for reductions**
 - **Too close to call?**

Secondary Projections

- Different Model
- Number of Sections Divided by Sections per Teacher
- Maximum Number of Students varies widely
 - Music, Art, Gym, etc.
 - AP Classes, Remedial, etc
- Much harder to get good information on class size

Secondary Projections

- Attrition will often be least disruptive avenue to meaningful reductions
- Partial FTE adjustments are easiest
- The Critical Mass Argument – pro and con:

Hard to reduce buses if drop 20 kids in one year. But...what if down 500 kids vs. 10 years ago?

Q: Why still same number of buses?

A: Maybe reason justifies. Maybe more special ed?

Other Factors

- **New Construction**

- **Type / Status**
- **Completion Date**
- **Amount of Available Building Lots**

- **Changes in School Environment**

- **Half Day to Full Day K**
- **New Charter School Opening**
- **Changing Demographics**

Evaluate Instructional Program(s) Costs

- Salary and Benefits
- Cost vs. Results
- One-time vs. Continuous

Develop Annual Budgets

- Policy / District Goals
- Budget Process, Budget Calendar
- Approaches to Budgeting
- Revenue forecast / funding per student
- State differences
- Budget – Compensation Negotiations

Purpose of Multi-year Budgeting

- Generate focus on the things that matter
- Make common sense of the obvious
- Understand how today's decisions propagate forward
- Anticipate icebergs
- Plan soft landings

Manage Grant Activities

- Grant Sources
 - Local, Private, Foundations
 - State
 - Federal
- Confirm expected funding for budget and anticipate carryover
- Key terms – Sequestration effects, if any
- Reporting to State, Federal, Local, Private Sources

Prepare for Annual Audit

- Checklist

- Be vigilant about reconciliations, documentation

- Inventory

- Cut-offs for determining year-end figures

- Year End Closing

Q & A Time!



Quiz Time!

How is per-student instructional program cost determined?

- A. Add specific program costs, including staff salary, books, and materials, and divide by the number of participants in the individual program
- B. Add all direct costs of the instructional program and divide by the number of participants in the individual program
- C. Add all direct and indirect costs of the instructional program and divide by the number of participants in the individual program
- D. Add specific program costs and fixed costs and divide by the number of participants in the individual program

Answer

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Quiz Time!

Which grant activity should be performed on at least a quarterly basis?

- A. Calculation of expenditures of budgeted funds
- B. The submittal of an application for additional funds
- C. A budget revision for all grants
- D. The preparation and submittal of reimbursement claims to date

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Risk Management Activities

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Plan, Prepare, Protect



What will we cover?

- What is School Risk Management?
- How do you perform a Risk Audit?
- How to follow up a risk audit?
- How to analyze available insurance options.



Risk Management

A risk is "an uncertain event or condition that, if it occurs, has a positive or negative effect on an organization's objectives."

Risk is inherent with any activity and risk management should focus on the following:

- Identify risks
- Assess risks
- Manage risks

School Risk Management for Dummies!

The process of analyzing the risks to the **health and welfare of our students and staff** then finding ways to effectively mitigate that risk!

The process of analyzing the risks to the **stability and well being of our physical assets**, our schools and finding ways to mitigate them.

Making **intelligent financial decisions** regarding how to best manage that risk.



What is a Risk Audit?



It is an exercise in history and predicting the future.

A risk audit begins with a historical analysis of incidents that have occurred in your schools, including Workers Comp Claims and Incident Reports.

What happened and when?

What's Next?

Mitigation Planning



- Review ways to reduce risks associated with historical or possible future threats.
- Purchase products or create policies to reduce risks associated with operating a school.
- **NEVER STOP!** The cycle continues!!!

Predicting the Future?

Perform a trend analysis!

- Look at weather or flood predictions.
- Review long term community growth trends.
- Review crime statistics and discuss possible future trends.

Flood Data From NOAA



Risk Strategies

- Avoid risks
- Control/Mitigate risks (prevent or reduce)
- Accept risks
- Transfer risks
- A CAT – (Avoid, Control, Accept, Transfer)

What is Insurance?

Risk-transfer mechanism that ensures full or partial financial compensation for the loss or damage caused by events beyond the control of the insured party.

Premium costs versus self-insured retention

- First dollar coverage
- Retention of Risk
- Deductibles
- Stop Loss
- Excess Policy

Types of Insurance Coverage

- Property
- General Liability
- School Leaders Legal Liability
- Automobile
- Crime
- Inland Marine
- Workers compensation
- Umbrella
- Cyber Risk
- Builders Risk
- Employee benefits - including health, dental, vision, LTD, Life

Insurance Management

Outside Insurance Firms

- Review available options from commercial business insurers.
- Allow them to help provide you with a risk assessment!
- Don't trust the agent who tries to sell you flood insurance for your school on TOP of the Mountain!

Self Insurance

- What are the risks?
- What is your current Situation?

Other Options?



- Insurance Pool?
- State Office of Insurance?
- Combination planning
- Legal insurance

Additional Resources for Risk Management

- Public School Risk Institute
www.schoolrisk.org
- The Risk and Insurance Management Society
www.rims.org

- The National Alliance for Insurance Education and Research - www.scic.com

Certified School Risk Managers (CSRM) Courses

- Fundamentals of Risk Management
- Handling School Risks
- Measuring School Risks
- Funding School Risks
- Administering School Risks

Q & A Time!



Quiz Time!

How does the level of a deductible relate to managing risk for a local education agency [authority]?

- A. When the deductible is lower then the risk is lower
- B. When the deductible is higher then the risk is higher
- C. When the deductible is higher then the risk is lower
- D. When the deductible is lower then the risk is higher

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Quiz Time!

How soon should work-related injuries be reported to the insurance entity?

- A. As soon as the school district officials are aware of the accident
- B. When it is determined to be severe enough
- C. As soon as it is determined that the employee needs medical attention
- D. After the medical service provider has examined the employee

Answer

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Quiz Time!

What conditions would trigger the liquidated damages clause in a contract?

- A. The vendor files for bankruptcy
- B. The vendor does not perform in the time required
- C. A bonding company takes over the project from the vendor
- D. The vendor files suit against the school district

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Management of School Facilities

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If you build it...

...they will come.



What would school look like without walls?



So we know we need walls!

We will review how we plan our schools.

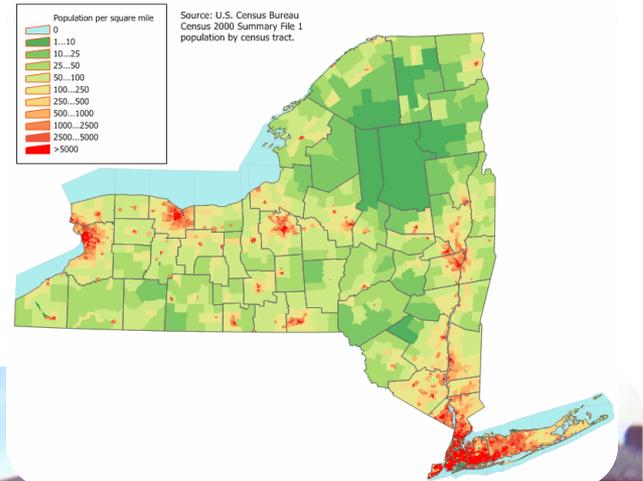
How do we maintain our schools?

How do we build new schools?



You need a plan!

- How many schools do you need?
- How many schools WILL you need?
- How many schools do you have?
- How long will the schools that you have last?



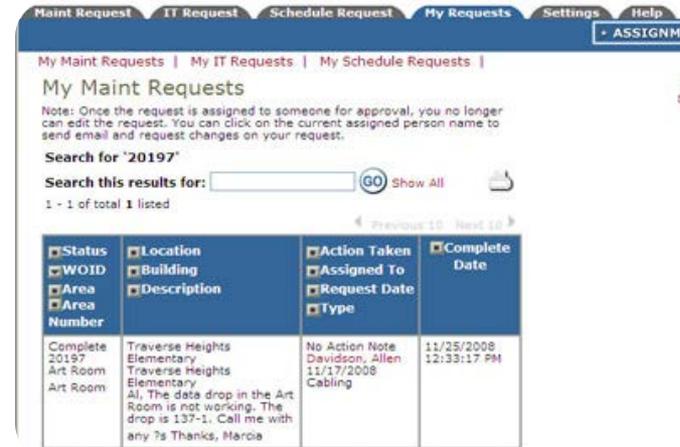
Did you know?



- The average age of a school in the US is 42 years old!
- 1927 new schools were opened in 2008.
- 2120 schools were closed!
- Public school enrollment is expected to increase by 12% before 2017.

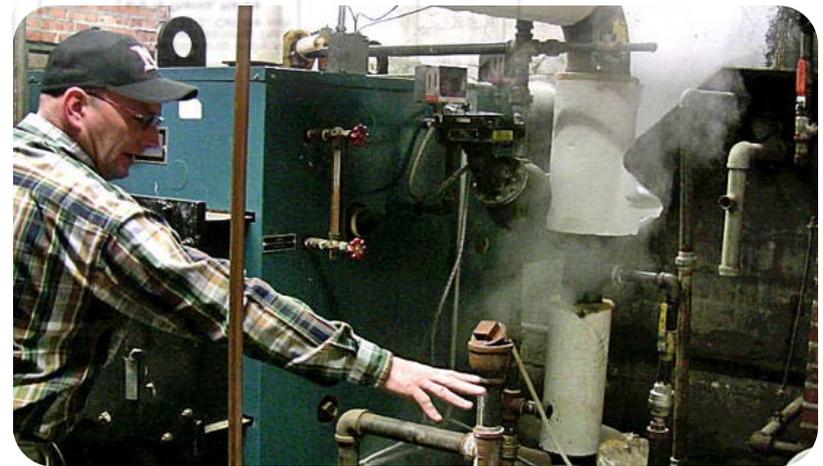
How do we maintain them?

- A strong maintenance team is necessary to extend the service life of schools.
- Focus on preventive maintenance, use electronic work orders.
- Perform life cost analysis rather than the early savings!



The screenshot shows a web application interface for managing maintenance requests. At the top, there are navigation tabs: 'Maint Request', 'IT Request', 'Schedule Request', 'My Requests', 'Settings', and 'Help'. Below these, there are sub-tabs: 'My Maint Requests', 'My IT Requests', and 'My Schedule Requests'. The main heading is 'My Maint Requests'. A note states: 'Note: Once the request is assigned to someone for approval, you no longer can edit the request. You can click on the current assigned person name to send email and request changes on your request.' There is a search bar with the text 'Search for '20197'' and a 'GO' button. Below the search bar, it says '1 - 1 of total 1 listed'. A table displays the request details:

Status	Location	Action Taken	Complete
WOID	Building	Assigned To	Date
Area	Description	Request Date	
Area Number		Type	
Complete	Traverse Heights Elementary	No Action Note	11/25/2008
20157	Traverse Heights Elementary	Davidson, Allen	12:33:17 PM
Art Room	Art Room	11/17/2008	
Art Room	Art Room	Cabling	



Train Your Team

- They must focus on good work skills.
- They should have a strong sense of ownership in the facilities.
- They can be a key resource for any energy saving initiatives!



Build your next school!

Once you know that you need a new school...

- Where can you build it?
- How much money will it cost to build?
- How will you pay for it?



Marketing for School Facilities

- Use your parents as key stakeholders
- Sell your School Board
- Sell your elected officials
- Sell your voters or the public!



Caution: Most states do not allow schools to advocate , only to inform with facts regarding school district bonds

Once you pass a bond or budget funding ...



- Find the right architect.
- Decide what construction model you would like to use: Managing Architect versus Construction Manager.
- Begin planning!

What else?

- Outside groups using school facilities.
- Recreational and sports facility management.
- Green cleaning initiatives.
- Fixed assets.
- IPM programs.
- Energy purchasing and conservation programs.
- Life safety management programs.

Q & A Time!



Quiz Time!

Preventive maintenance planning refers to which service area?

- A. Facilities
- B. Food services
- C. School administration
- D. Transportation system

Answer

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B. Food services

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D. Transportation system

Quiz Time!

Which should be included in the building construction estimates for a replacement school building?

- A. The increased cost of building insurance
- B. The cost associated with the transportation of students to the interim building
- C. A contingency for the cost of unexpected site conditions
- D. The cost of moving furniture from the existing building

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Management of Information Systems

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Willow Grove, PA



Technology Leadership

Maintain technology systems

- **Computer Support for all staff...and students**
- **Software upgrade provisions**
- **Budget to replace computers on regular schedule**
- **Plan retrofits to accommodate new technology**
- **When possible, make improvements when schools are being built or renovated**
- **Plan for connectivity with enough bandwidth to manage current and future needs**

Assist in Developing Technology Plan

- What is the district's Technology Vision?
- What is desired for children to use and to know?
- Roles include automational, transformational, communications, efficiency
- "Mission critical"
- What is mandated?
- What does it take to get there?

Assist in Developing Technology Plan

Consider:

- Infrastructure, telecommunications (e-rate)
- Training of staff (critical!)
- Equipment standards and refreshment
- Accessibility of printers to classrooms (cost factor)
- Standardization of software
- Disaster and recovery (share with other schools?)
- Business interruption insurance
- Security

Important Things to Remember

- Internet Based Systems – need capacity
- Security: are your records housed either manually or on-line?
- In a location that is protected from intrusion? In fire-proof cabinets?
- Back-up: are your electronic records backed-up at least each night?
- If there were an emergency, have you assigned records responsibility to anyone?
- Do you have Business Interruption Insurance?
- Is your data encrypted when attached to an email?
- Do you have “secure” thumb drives?

Assist in Developing Technology Plan

- High degree of attention needs to be placed on security
- Secure versus non-secure sites
- Many textbook companies are offering online textbook enhancements, but the sites are not secure: FERPA and privacy concerns

Assist in Developing Technology Plan

- Open source computing vs. proprietary software
 - Open source refers to a computer program in which the source code is available to the general public for use and/or modification from its original design.
 - Proprietary software is owned by a company and usually has restrictions to its use, and you must purchase a license to use. Its source code is usually kept secret
- Scope agreement – due diligence about project scope (avoid ‘scope creep’)
- Cloud computing

Internet-based Systems (Cloud Computing)

- **Cloud computing** is a metaphorical term referring to a model of network computing where a program or application runs on a connected server or servers rather than on a local computing device such as a PC, tablet or smart phone.
- Cloud computing services provide ease of access to remote computing sites provided by the Internet, and web-based tools or applications that users can access and use through a web browser, as if it were a program installed locally on their own computer.
- Allows for 'simpler' devices to be used

Maintain Technology and Telecommunications Systems

- Platform decisions-cost and complexity
- Staffing ratios for support - fixing and teaching
- R&D: emerging trends and technologies
- Cloud computing, in-house programming, open-source
- VoIP, POTS
- Refreshment cycles, and how funded
- E-rate decisions
- Security policies, spam filtering, content blocking

Maintain Technology Systems/Oversee Telecommunications Systems

- Capacity should always be measured: when will you need more (ports? shelves? band width?) Conduct predictive exercises
- Planning for capacity is multi-year effort (budget and bonds)
- License compliance
- Acceptable use policies, employment consequences
- Policies on social media-risks and benefits

Manage Technology and Telecommunications Systems

- Staffing: expertise and staying competitive with market
- Preventive Maintenance schedules
- Service Level Agreements

Q & A Time!



Quiz Time!

In addition to acquisition, maintenance and operation costs, what is the most significant cost of a technology purchase?

- A. Software upgrades
- B. Replacement costs
- C. Insurance Costs
- D. Shipping Costs

Answer

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Management of Human Resource Functions

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Business Manager/Board Secretary, Upper Moreland Township School District, Willow
Grove, PA



Manage Hiring of Good Employees

Recruitment

- Review of the necessary qualifications by appropriate personnel: HR, principals, supervisors
- Utilize exit interview paperwork

Manage Hiring of Good Employees

Vacancy Notice

- Include job description or summary job description
- Work Schedule
- Hourly rate
- Salary



Manage Hiring of Good Employees

- Application
- Qualifications
- Reference Check
- Interviews
 - **Use at least teams of two**
 - Ensure at least one individual on the team is knowledgeable of job functions
 - **Document questions and answers**
 - **Ensure questions are appropriate**
 - **Prohibit comments that are personal and subjective**

Manage Hiring of Good Employees

Orientation Goals

- To Promote the new employee's identification with the school entity
- To facilitate the new employee's successful adjustment to the entity and to the position to which he/she has been assigned

Manage Hiring of Good Employees

Probationary Period

- **30 days to 1 year**
- **Formal evaluation**

Develop Compensation Structure

Compensation Management

- Internal Equity

- Range of pay for positions in organization and the relative value/rate of pay assigned

- External Equity

- Rate of pay for a position as compared to the “market”
- “Market” for school districts is surrounding districts
- For some trades and technology other external data may be relevant
- Critical to attracting and retaining qualified candidates

Manage Staff Development and Training Programs

- Link Training with ASBO/ Local ASBO
- Look for appropriate college opportunities for staff development
- Bring effective Personnel through internal and external development programs
 - **Succession planning**
 - **Adapt to generational differences**

Manage Evaluation Process

Purpose of Evaluation

- First, it acts as the tool to evaluate administrator performance
- Secondly, it provides the documentation necessary to award merit increases as a result of demonstrated performance
- Third, it provides the documentation necessary to dismiss or non-renew

Manage Personnel Administration

Pertinent Regulations

- Family and Medical Leave Act of 1993 (FMLA)

The U.S. Department of Labor's Employment Standards Administration, Wage and Hour Division, administers and enforces the Family and Medical Leave Act (FMLA) for all private, state and local government employees, including school entities. FMLA became effective on August 5, 1993 and entitles eligible employees to take up to 12 weeks of unpaid, job-protected leave in a 12-month period for specified family and medical reasons. The employer may elect to use the calendar year, a fiscal year or a 12-month period prior to or after the commencement of leave as the 12-month period.

The law contains provisions on employer coverage, employee eligibility for the law's benefits, entitlement to leave, maintenance of health benefits during leave, job restoration after leave, notice and certification of the need for FMLA leave and protection for employees who request or take FMLA leave. The law also requires employers to keep certain records.

School entities should adopt policies to clarify specific aspects of the law.

- Consolidated Omnibus Budget Reconciliation Act (COBRA)

Federal law requires that employers offer eligible employees and their dependents the opportunity for a temporary extension of health coverage called continuation coverage at group rates in certain instances, or Qualifying Events, where coverage under the plan would otherwise end.

-The Health Insurance Portability and Accountability Act of 1996 (HIPAA)

HIPAA protects health insurance coverage for workers and their families when they change or lose their jobs.

<http://www.hhs.gov/ocr/privacy/>

- Drug-Free Workplace Act of 1988

Required of any organization who receives federal funding

Manage Personnel Administration

- Omnibus Transportation Employee Testing Act of 1991

requires all school entities to establish programs and practices designed to help prevent accidents and injuries resulting from the misuse of alcohol or controlled substances by drivers of commercial vehicles subject to the commercial driver's license (CDL) requirements

- Harassment Policy

Equal Employment Opportunity Commission guidelines on discrimination because of sex define sexual harassment as any unwelcome sexual conduct that "has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile or offensive work environment."

- Americans with Disabilities Act (ADA)

Activities covered under the ADA include but are not limited to walking, talking, seeing and hearing. People with a record of such impairment and those regarded as having an impairment are protected under the ADA.

- Age Discrimination in Employment Act (ADEA)

prohibits employment discrimination against any individual forty years of age or older.

- Pregnancy Discrimination Act (PDA)

Employees who are pregnant must be treated the same as other employees with similar disabilities or limitations. An employer cannot refuse to hire a woman because she is pregnant nor may an employer terminate a woman simply because she becomes pregnant.

If an employee is temporarily unable to perform the requirements of a job due to pregnancy, the employer must treat her like any other temporarily disabled employee

- State Regulations

Veterans Preference

State Certification Guidelines

Personnel Records

- Maintain medical information separate from personnel file with other information
- Personnel office record is the absolute record (no local files)
- Employee sign off on evaluations that they were received
- Annual updates to directory file information

Manage Employee Benefit Programs

- The most important and overlooked aspect of employee benefits administration is communicating the value of these benefits to staff
- Benefits can average 25-30% of total compensation for most entities

How to Communicate Benefit Information

- Personalized statements sent periodically to each employee showing the employee's salary and an itemized list of the benefits available to that employee and the entity's cost to provide those benefits
- Benefit booklets written so that they can be easily read and understood by the employee
- Periodic meetings to review changes in coverage utilizing insurance company representatives to explain coverage, answer questions, etc.
- Orientation programs for new employees

Q & A Time!



Quiz Time!

Which of the following should be covered by the personnel department during a new employee orientation?

- A. Instructional methods to be used
- B. History of the School District
- C. Enrollment Trends
- D. Explanation of Insurance Benefits

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Quiz Time!

Which item may be asked for in a job application?

- A. Gender
- B. Year of birth
- C. Education
- D. Age of dependents

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Quiz Time!

When is it allowable to ask if a person needs accommodation to perform the essential functions of a job?

- A. In the job advertisement
- B. In the letter of hire
- C. On the application
- D. During the interview

Answer

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Quiz Time!

. A computer technician who does repair and services to computers and reports to the director of technology is a non-exempt employee. What does this mean?

A. The position must be paid based on a hourly rate and paid the overtime rate for over 40 hours in a week.

B. This position may be paid on a salary basis, avoiding the need to pay overtime.

C. Vacation and sick leave are required as part of federal law.

D. If the employee works on Sunday, double the hourly rate.

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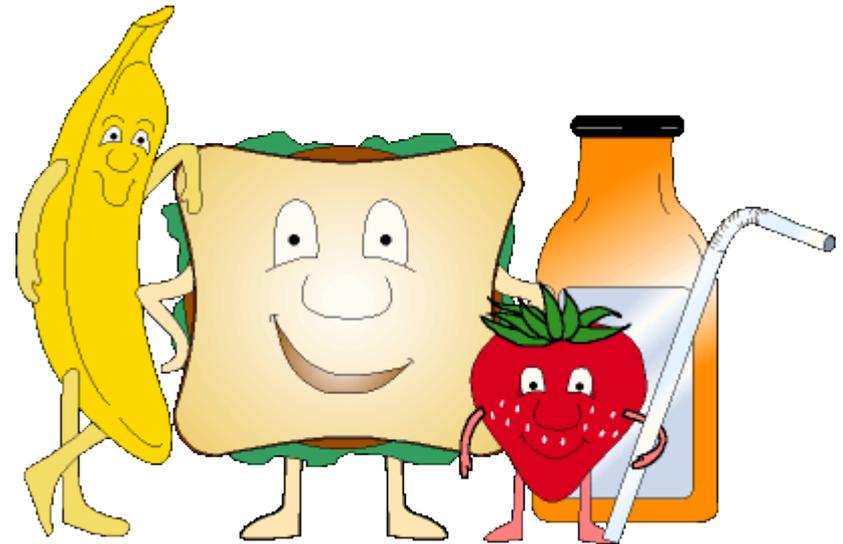
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Management of Ancillary Services

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Supervisor of Public Safety, Red Clay Consolidated School District, Wilmington, DE



Manage Ancillary Services

- There is a tendency in society to see the mission of schools as exclusively instructional
- The unfortunate outcome is other areas are ignored when they should also be valued for their role in providing equal opportunity and meaning to the social and educational mission of schools

Transportation and Food Service Programs

- Schools would be negatively impacted without these operations
- Every child has a right to a good education without regard for socioeconomic status
- Every child should be able to get to school without hardship and attend classes free from hunger

Transportation and Food Service Programs

- There is no equal opportunity when educational programs are physically inaccessible or when children are underfed
- All stakeholders in education should be concerned with organizing and operating efficient systems for transporting and feeding children.

Transportation

- These operations are large and complex regardless of school district size
- Urban districts use many buses to transport thousands of students over short distances
- Rural districts also need many buses, despite low pupil population, to travel over countless open miles

Transportation

- Actual costs may be similar, and large and small systems alike face issues of safety, insurance, and so on
- Billions are spent annually, making it a major industry
- Complex issues of liability, safety, and equal access
- State and federal regulations

Transportation Function

- No doubt one of the most visible services in schools
- Bright yellow school buses arrive in front of homes of more than half of all school children each morning
- And the bus is often the last school contact of the day

Transportation Function

- Also involves taking students on field trips and to athletic and academic events
- Also assist with other services such as special education



“When floors shine, the schools seem good.”

- When buses are late or when problems arise, everything about schools seems suspect
- As a result, transportation is one of the most important and visible non-instructional activities of schools

Complexity of Transportation

- Variables such as population density, number of pupils to be transported, topography, road conditions, and length of routes affecting the size of buses on routes
- Movement of population within a community may create new transportation demands
- Racial integration may require new school attendance boundaries

Director of Transportation Services

- Requires a variety of talents and skills:
- Ability to efficiently organize a large transportation fleet and to consistently demonstrate human relations skills in working with personnel problems
- Skilled in decision-making to manage effectively
- Knowledge of diverse topics, including computer routing, budgeting, labor relations, inventory, drug testing, underground storage tanks, and hazardous materials

Comprehensive Transportation Manual

- Document should be open to public, and in-service should be held with transportation staff to clarify the policies of the district
- Special emphasis must be given to driver training, pupil discipline, energy conservation, disability issues, public relations, bus routes, and bus schedules

Transportation Funding

- Some states provide a transportation allowance based on hazardous walking conditions
- In some states, transportation aid is tied to the general fund formula
- One basic similarity: in most states, transportation aid almost NEVER covers the entire cost

What other Transportation issues are relevant?

- Owning or Contracting
- Computerizing Transportation Services
- Purchasing Buses
- Maintenance and Safety

Owning or Contracting

- Contracting avoids the cost of buying buses
- Contracting avoids the high maintenance cost of older buses
- It's argued that contracting lowers capitalization costs, reduces personnel and administration costs, and provides greater efficiency through contractors whose sole business is transportation

Contracting Transportation

Counterarguments, however, include:

- how to ensure quality performance by a contractor when the district no longer controls the public relations aspect of the contractor's behavior
- the need for insuring against liability for acts of contractors.

District Ownership of Transportation

Arguments for district ownership:

- Provides more flexibility, provides selection, training, and supervision of transportation employees, and ensures control over changes in operational costs

Computerizing Transportation Services

- Every year more districts are using computerized routing systems
- These plans are cost-effective in that they can apply mathematical formulas for routing efficiency
- Aid in mapping routes, including census data, highway time delay studies, and other manual data supplied

Maintenance and Safety

- Maintenance, safety, and staff are inseparable in any discussion of transportation
- Good drivers cannot offset bad buses, nor can new equipment offset bad drivers.
- Transportation utmost duty: To ensure student safety

Food Service Programs

- Like transportation, the food service function is a key to effective and efficient operation of schools
- Less visibly related to the primary mission of schools, but provides vital support to the instructional process

Food Service Function

- Need to understand the following:
- How it operates
- How meal prices are set under federal, state, and local participation
- How revenues and expenditures in food service budgets are allocated
- Much more regulation on meal content

Linking School Performance to Nutrition

- **Undernourishment due to poverty and ignorance is still sizable in today's era of economic progress**
- **Data exist that link poor school performance to nutrition**
- **The role of food service in schools has increased with time, as seen in the fact that most U.S. schools now have both breakfast and lunch programs**



Relevant Issues

- Often the biggest problem is rising costs associated with purchasing and preparing foods such as supply price increases, labor costs, and equipment and facilities – all of which must factor into what the district ultimately charges for meals.

Compliance Requirements

- Compliance is a common concern whenever outside aid is provided. Assurances are directed to the federal government in return for dollars and commodities
- Districts must assure states of compliance so the state can provide its own assurances to the fed govt.

Federal Rules and Regs

- **Operate a nonprofit program**
 - Only a 3 month operating balance may be kept on hand and still be nonprofit
- **Serve meals that meet nutrition requirements**
 - Programs can offer single menu, fast food choice menu, or a' la carte menu

Federal Rules and Regs

- **Price meals as a unit**

- **To count as reimbursable, meals must be priced as a unit. This does not prohibit single item sales**

- **Supply free and reduced meals**

- **To eligible needy children**

- **Agree to avoid discrimination**

- **No child may be refused because of inability to pay, race, gender, or national origin**

Federal Rules and Regs

- **Keep accurate records of income and expenditures**
 - **Records are subject to intensive state and federal audits**
- **Complete a formal reimbursement claim**
 - **Claims must be sent on a timely basis each month to the state**

Federal Rules and Regs

- **Distribute applications for free and reduced meals**
 - **Districts must actively inform each student of the program**
- **Review and act on F&R applications**
 - **Parents or guardians must be notified regarding decisions**
- **Develop and implement verification procedures**
 - **A method of verifying accuracy of applications must be followed**

Federal Rules and Regs

- **Maintain accurate participation records**
 - **The district must establish procedures for obtaining accurate meal counts**
- **Establish and implement purchasing procedures**
 - **Purchasing procedures must comply with state and federal regulations**

Federal Rules and Regs

- **Use federally donated foods or commodities**
 - **This includes the ability to store commodities properly without spoilage**
- **Approved programs provide meals based on daily nutritional requirements**
 - **Must provide approx 1/3 of the recommended dietary allowance (RDA)**

Food Service Management

- Options on types of management systems best suited to a district's needs:
 - **Management companies**
 - **Centralized in-house operations**
 - **Decentralized in-house food service**
- Careful cost analysis necessary since each has its benefits and problems

Management Companies

- Use of outside management companies centers around debate of whether it is more cost-effective
- The main reason many districts have decided to contract for food service has been a benefit stemming from fiscal and managerial efficiency

Benefits to Contracting

- Administrators have more time for curriculum
- Wage and benefit costs, disputes, and grievances have been reduced because the district no longer handles personnel
- Menu planning is improved by use of food professionals

Benefits to Contracting

- In-house record-keeping requirements are reduced
- There is strong incentive for food service to become a profit center with high client satisfaction

In-House Operations

- Centralize or de-centralize services
- On-site food preparation vs. satelliting from central kitchens
- ‘Satelliting’ means delivering cooked food with finishing kitchens on-site, in contrast to on-site food prep
- Major benefit is mass preparation and non-duplication of full facilities
- Concern could be loss of site control and responsiveness, and over standardization

In-House Operations

- Full time director highly trained to assure the efficient and cost-effective operation.
- Needs skills to work closely with principals and central office, as well as supervising service workers
- Must work with district budget director, and provide leadership in setting meal prices

Ancillary Services Wrap Up

- Ancillary services are a vital contribution to educational outcomes
- Although often lacking in glamour, they represent vast expenditure outlays and significant liability
- They are interrelated parts of a complete educational system. Each piece makes a vital contribution and can't be slighted without significant harm to children

Q & A Time!



Quiz Time!

What is the first thing a school business official should do when notified by the police of a significant school bus accident?

- A. Call the students' parents
- B. Call the insurance carrier
- C. Call the school board president
- D. Call the superintendent

Answer

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When managing a program, what information should be on the report that allows you to determine whether the program is within budget?

- A. Budget, expenditures, and encumbrances
- B. Prior year budget, current year budget, expenditures, and encumbrances
- C. Revenues, expenditures and encumbrances
- D. Current month revenues and expenditures and encumbrances

Answer

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