Regulations require each sponsor to develop a budget. The budget is based on last year’s expenditures, contractual obligations, and the upcoming year’s anticipated work plan. A sponsor must have an approved budget to receive SFSP reimbursement. The approved budget may be revised by the sponsor at any time during the program year. No expenditure from SFSP funds for a Program Year can be made unless included in the approved budget.

(1-5) **Revenue:** Maximum federal reimbursement for operation and administration is pre-calculated based on data entered in the Site Applications. The current reimbursement rates multiplied by the “Number of Operating Days” and estimated Anticipated Daily Attendance (i.e. ADA) reported on the Site Application(s) for each meal/snack service documented.

Additional sponsor funds must be available if the revenue estimated in items (1) and (2) is less than the total expenditures projected in items (17) and (25).

Total Revenue in item (5) must equal or exceed total expenditures. The sponsor will be responsible for all costs incurred in excess of maximum reimbursement.

Line 3 Sponsor funds could be a balance from another Child Nutrition Program, donations, grants, general fund, etc.

(6) **Staffing Plan Tool:**

**Administrative Staffing Plan:** Sponsors must demonstrate administrative capability to comply with program requirements. Indicate the position, number of staff, time, and wages committed to oversight of the SFSP. Include ONLY the estimated time to perform administrative duties. Check volunteer if the food service fund is not charged for administrative duties. If a clerk or secretary only works 2 hours a week on SFSP duties and the program only operates 8 weeks, record 8 under # of Days. Click <Add Lines> to list additional staff if needed.

Record the Total Administrative Labor Costs on line 7 of the Expenditures Section.
**Operational Staffing Plans:** Sponsors should indicate operational staffing for food preparation and service, cleaning, point of service accountability. Indicate the position, number of staff, time, and wages committed to the operation of the SFSP. May combine similarly paid positions and hours and give an average pay rate. Include administrative personnel time when performing operational duties. Check volunteer if the food service fund is not charged for operational duties. Click "Add Lines" to list additional staff if needed. Individuals who serve in both administrative and operating roles should keep time logs to document activities.

Record the Total Operational Labor Costs on line 18 of the Expenditures Section.

To obtain Total Salary for Program for both Administrative and Operational Staffing Plans take the # of staff times Hours per day on Food Service times Salary/ Hourly Wage times # of Days.

(7-25) **Expenditures:** All costs must be allowable according to SFSP guidelines.

(7-17) **Estimated Administrative Expenditures:** Indicate the projected SFSP administrative expenditures. The sponsor will be responsible for all costs incurred in excess of maximum reimbursement.
To determine the maximum amount a Sponsor may recover from the Food Service Fund for indirect costs, multiply the Sponsor's unrestricted indirect cost rate (10% for private Sponsors) by the direct costs.

Direct costs include:
- Salaries/Labor (line 7, 18)
- Other Purchased Services (lines 12, 24)
- Miscellaneous Supplies (lines 11, 14, 20)
- Other Direct Costs (line 13, 16, 23)

Sponsors may choose not to recover indirect costs or may recover only part of the allowable indirect cost amount.

(18-25) **Estimated Operating Expenditures:** Operating labor includes time for food preparation and meal service. Indicate the projected SFSP operating expenditures. The sponsor will be responsible for all costs incurred in excess of maximum reimbursement.

![Estimated Operating Expenditures Table]

If an expenditure is listed on line 20 or 22, list the items to be purchased in field 27.

(26) **Indirect Costs:** If indirect costs are reported in line (15), enter the indirect cost rate that is being used. Public School Food Authorities (SFAs) will record their unrestricted indirect cost rate found at [www.kn-eat.org](http://www.kn-eat.org), School Nutrition Programs, What's New. Private SFAs and other non-Federal entities will record the De Minimus Rate which is 10% per the Uniform Grant Guidance unless they have a negotiated indirect cost rate. If they have negotiated an indirect cost rate that amount should be listed rather than 10% and a copy of the negotiated indirect cost rate agreement should be submitted to KSDE.

![Indirect Costs Table]

(27) **General Comments:** If an expenditure is listed on line 20 or 22, list the items to be purchased in field 27. Use this space to enter questions or comments for KSDE.

The intent of the budget is to show how funds will be spent and that expenses should appear to be reasonable compared to estimated reimbursement. Compare total expenditures to total revenue. If there is a huge gap, close the gap by either revising the ADA on the Site Applications or increase expenditures.
Best Practices

- New Summer Food Service Program (SFSP) Sponsors can use School Nutrition Program (SNP) monthly financial data to assist with the SFSP budget.
- Whenever the number of days of service or ADA changes, revise the SFSP budget.
- If a significant unexpected non-food expense occurs during operation, make a note in field 27.
- If food cost or labor is higher/lower than expected, revise the SFSP budget.
Tips for SFAs Completing the SFSP Budget

Use the Prior Year’s Annual Financial Report (AFR), the Meal Equivalent Report or the 40/40/20 rule (40% of the revenue would be for food cost, 40% for salaries/labor and the remaining 20% for remaining expenditures) to assist with the completion of the SFSP budget. The SFSP budget runs January - December.

- If using the AFR, divide the total expenditure line items by 9 (roughly operate 9 months a year) and then multiply by the number of months planning to operate the SFSP.

<table>
<thead>
<tr>
<th>School Nutrition Programs</th>
<th>Kansas State Department of Education</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Financial Report</td>
<td>2019 - 2020 Program Year</td>
</tr>
</tbody>
</table>

### Expense Section

<table>
<thead>
<tr>
<th>Expenditures:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>3100 Food Service Operation</td>
<td></td>
</tr>
<tr>
<td>13. 100 Salaries</td>
<td>27,196.51</td>
</tr>
<tr>
<td>200 Employee Benefits</td>
<td></td>
</tr>
<tr>
<td>14. 210 Insurance (Employee)</td>
<td>0.00</td>
</tr>
<tr>
<td>15. 220 Social Security</td>
<td>1,609.14</td>
</tr>
<tr>
<td>16. 290 Other</td>
<td>769.80</td>
</tr>
<tr>
<td>500 Other Purchased Services</td>
<td></td>
</tr>
<tr>
<td>17. 520 Insurance</td>
<td>0.00</td>
</tr>
<tr>
<td>18. 570 Food Service Management Company</td>
<td>0.00</td>
</tr>
<tr>
<td>19. 590 Other Purchased Services</td>
<td>0.00</td>
</tr>
<tr>
<td>600 Supplies</td>
<td></td>
</tr>
<tr>
<td>20. 630 Food &amp; Milk</td>
<td>41,919.19</td>
</tr>
</tbody>
</table>

\[
\text{Food Cost} = \frac{41,919.19}{9} = 4,657.69 \\
\text{Food Cost} \times 3 = 13,973.07 \\
\text{Rough estimate of } 14,000 \text{ for food cost}
\]
• If using the Meal Equivalent Report (KN-CLAIM, Accounting, Financial Management, Meal Equivalents) take the Per Meal Cost for each expenditure line item and multiply by the Number of Operating Days and estimated ADA on the Site Applications.

• If using the 40/40/20 rule 40% of the revenue would be for food cost, 40% would be salaries/labor and the remaining 20% is for the remaining expenses charged to the food service fund.

---

**Revenue**

1. Maximum federal reimbursement for operation: $35,344.00
2. Maximum federal reimbursement for administration: $3,690.00
3. Sponsor funds available if expenditures exceed reimbursement: 0.00
4. Source: $35,344.00
5. Total Revenue: $39,034.00

$39,034.00 x .40 = $15,613.6 salaries/labor
$35,034.00 x .40 = $15,613.6 food
$39,034.00 x .20 = $7,806.8 all other expenditures
SFAs should continue to complete the Monthly Financial Report (MFR) under the School Nutrition Program in KN-CLAIM. Private Non-Profits (PNP) should complete the Income and Expense Ledger (www.kn-eat.org, Summer Food Service Program, Administration, Administrative Forms). SFSP in KN-CLAIM does not have a place to record monthly financial information.

- SFSP revenues/expenditures flow to/from the Food Service Fund, therefore all revenues and expenditures are reported as part of the Monthly Financial Report.
- Record SFSP reimbursement on the Federal Reimbursement for Student Meals/Snacks/Milk line 7.
- Categorize SFSP expenditures the same as during the School Year.
  100 Salaries - administrative and operational staffing salary
  200 Employee Benefits - Report benefit amounts paid by the sponsor on behalf of employees. These amounts are not included in the gross salary but are in addition to that amount.
  500 Other Purchased Services - Report amounts paid for services rendered by organizations or personnel not on the payroll of the sponsor. The primary reason for the purchase is the service provided (insurance, food service management company, pest control, laundry service, etc.)
  630 Food and Milk - Report total amount expended for food and milk for all Child Nutrition Programs, special occasions, and a la carte.
  680 Miscellaneous Supplies - Report amounts paid for non-food items such as uniforms, straws, napkins, disposable service ware, photocopies, office supplies, cleaning supplies, etc.
  700 Property (Equipment and Furnishings) - Report amounts expended for all equipment for the operation of the food service. Include the acquisition cost of any attachments, accessories, delivery charges, and set-up fees. Include expenditures for upkeep and maintenance.
  840 Other Direct Costs - Direct costs are incurred specifically for the food service program. Direct costs include license fees, registrations, in state travel, transporting food or students, mileage reimbursement, bank service charges, credit card fee for online payment system and charges for returned checks.
  850 Indirect Costs - Indirect costs are not readily identified with a specific program but are incurred by the school sponsor for the benefit of all programs. Costs that can be allocated to multiple programs or other costs objectives are always an indirect cost. A cost may be assigned to the nonprofit food service as a direct cost only if that cost item under the same circumstances has not been charged to other programs or cost objectives as an indirect costs. Indirect costs for food service include: utilities, all custodial services, telephone, trash, sewer, water and building maintenance. Indirect costs allow the food service to reimburse the sponsor’s General Fund for a fair share of unidentifiable expenses.
Complete 10-A as normal, with the exception of nothing being recorded under the Student Accounts Reimb Sales & Charges column (D) since all meals are free.

SFAs should continue to use the second page to assist with the Monthly Financial Report.