PURPOSE STATEMENT – FOOD SERVICES

The committee recommends this document as a tool for the Secretary of State Audits Division, the Oregon Department of Education, and school and education service districts to use in identifying and evaluating best practices in providing food services. Although it is intended to address many of the best practices that could apply in these situations, it should not be considered all-inclusive. Further, the practices listed here may not be applicable in all situations, and other practices may accomplish the same goals. However, this document can be helpful as a starting point for both district managers and auditors in deciding what types of practices are more likely to result in the efficient, effective, and accountable delivery of child nutrition food service programs.
A. General

1. Comprehensive written policies and procedures governing all food services activities have been established and are kept up to date.
2. The food service program is administered in accordance with federal, state and district policies, as applicable, including:
   a. USDA Guidelines for the School Breakfast Program, the National School Lunch Program and the Special Milk Program
   b. USDA Eligibility Guidelines for School Meals Manual
   c. USDA Dietary Guidelines for Americans
   d. USDA Guidance for School Food Authorities: Developing a School Food Safety Program
   e. USDA Surplus Commodity Program
   f. Oregon Revised Statutes (ORS) Chapter 279 - Public Contracting
   g. Oregon Revised Statutes (ORS) Chapter 327 - State Financing of Elementary and Secondary Education
   h. Oregon Administrative Rule (OAR) 581 Division 51 regarding:
      i. School Nutrition Programs
      ii. Food Safety Inspection
      iii. Breakfast Programs
      iv. Contracts
      v. Meal Quality
3. The food service program is also administered in accordance with the objectives and goals of the program.

B. Planning, Organizing and Staffing

1. The food service program supports the instructional goals and strategic direction of the district. For example:
   a. Provides a wide range of nutritional programs (e.g. breakfast, lunch, after school snack, supper and summer programs
   b. Ensures adequate speed of service and time for consumption of meals
   c. Provides nutritional education programs (e.g. Farm to School, cafeteria and classroom nutrition, and health and wellness fairs)
   d. Provides community outreach and assistance (e.g. free and reduced meals, bilingual assistance and food service advisory committee meetings)
   e. Involves of students in food service programs (e.g. recycling and school garden programs, culinary programs and kitchen help programs)
2. Strategic or operational plans that are consistent with district objectives and goals, and the program budget have been developed and approved by the district.
3. The district and program are organized with clear lines of responsibility and in a manner that provides the food service program sufficient authority to succeed.
4. The food service program has sufficient staffing levels to meet the objectives and goals of the program.
5. Training has been developed and is regularly conducted to meet food service program needs, including sanitation, safety and continuous professional education.

C. Fiscal Management

1. Food service transactions are processed in accordance with documented policies and procedures, performance guidelines and best practices.
2. Budget reports do not contain unusual transactions, significant overdrafts or serious fluctuations from amounts initially budgeted.
3. A budget to actual variance analysis is periodically conducted and reviewed for reasonableness and major fluctuations.
4. The food service program’s unreserved fund balance is sufficient to operate the program according to the district’s objective’s and goals. As applicable, is not dependent upon general fund transfers for operations.
5. The program directly, or through the district’s indirect services rate, pays for appropriate program-related expenses (e.g. trash removal, utilities, equipment, repairs, cafeteria renovation).
6. Sound cash and account management is performed by program management and periodically reviewed by the district.
7. Cash on hand and deposits awaiting collection are adequately secured and properly maintained.
8. Deposits are conducted in a timely manner.
9. Random, surprise audits of cash management are conducted.
10. The reconciliation process is conducted accurately.
11. Money from children who pay for meals or milk is collected and accounted for in a manner that prevents the identification of children receiving reduced price meals, free meals or milk.
12. The pricing of meals and a la carte items are periodically reviewed to ensure they are appropriate and at a level that meets budget needs according to the district’s objective’s and goals.
13. Applicable federal and state reimbursements are requested and paid in a timely manner.
14. Overtime expenditures are appropriately justified.

D. Performance and Accountability

1. Program level performance and cost-efficiency measures have been developed, and are used on a regular basis to evaluate performance. Measures could include, but are not limited to:

   a. Net income margin
   b. Food cost margins
   c. Salary plus benefits margin
d. Participation rates of free and reduced meals as percentage of eligible and overall participation

e. Dietary guidelines and nutritional needs of students

2. Discrepancies identified during the Department of Education’s School Meals Initiative (SMI) and Coordinated Review Effort (CRE) are addressed within the specified timeframe.

3. Food service policies and procedures are followed and, at a minimum, address the following areas:
   a. Assets are protected and accounted for (cash, equipment, food and supplies).
   b. Warehousing for the program is appropriate (what and where it is stored).
   c. Protects Personnel are protected by having safety features in place.
   d. Food is prepared safely; staff is using the menu ingredients per Instructions; and proper portion control procedures are followed.
   e. Federal, state and district nutritional requirements.

4. A viable preventive maintenance and long-range equipment replacement program is in place.

5. The district and program management periodically assess the efficiency and effectiveness of core process functions (i.e. procurement, warehousing, delivery, preparation, sales and management).

6. Food service reports are prepared, analyzed and provided to the district on a regular basis. Examples of reports may include such elements as:
   a. Cost per meal served
   b. Meals per labor hour
   c. Cost of food per meal as a percentage of the cost of the meal
   d. Cost of labor per meal as a percentage of the cost of the meal
   e. Indirect costs per meal as a percentage of the cost of the meal
   f. Overhead costs charged to the program for benefits, utilities, custodial support, maintenance, etc.
   g. Self-sufficiency of the overall operation
   h. Data on sales and cost of food service products

7. Food service reports and analysis reports are reviewed by the district for trends, fluctuations and exceptions.

E. Purchasing & Inventory

1. The food service purchasing process complies with existing district policies and state purchasing laws, and is supported by adequate documentation.

2. Compliance with the terms and conditions of contracts with food service companies is ensured.
   a. Billing statements are reviewed for accuracy, compliance with contract terms and conditions, and for supporting documentation.

3. Has the district participated in a cooperative purchasing agreement or other regional strategies and, if the district does participate, has the efficiency and cost-effectiveness of the arrangement been periodically evaluated?

4. As appropriate, the district utilizes USDA donated foods by:
   a. Ordering its full annual allocation
b. Considering alternative pricing when developing commodities allocation orders
c. Accepting additional allocations when offered and needed
d. Using commodity processors when financially advantageous

5. Adequate inventory is maintained in order to meet the needs of component schools.

6. Food and other inventories are:
   a. Tracked and adequate reorder points are established
   b. Secured for control purposes to avoid pilferages
   c. Centrally received for control and accounting purposes, or are properly reported if delivered to individual campus sites
   d. Monitored through production sheets detailing food prepared and food served
   e. Physically counted on a regular basis and surprise spot counts are randomly conducted with inventory discrepancies investigated prior to adjustments
   f. Monitored for food waste, leftovers and expired food products
   g. Stored in physical facilities adequate to meet inventory demands
   h. Transported properly and at the correct temperatures to discourage contamination and spoilage

F. Customer Service

1. An assessment of the level of customer satisfaction is periodically conducted. Assessment tools may include on-line customer surveys or on-site questionnaires that evaluate product quality and acceptance by student, staff and parents.
2. Customer complaints are reviewed in a timely manner.
3. Communication of food services information on a district website or through other means such as newsletters, pamphlets, letters to parents and discussion at PTA meetings. Communications could include such things as goals and objectives, menus and nutrition, parent help page and information about free and reduced meals.