



Managing Nonprofit School Food Service Net Cash Resources

In Ohio, nonprofit school food authorities must carefully manage their cash resources to ensure compliance with state regulations. One key guideline to remember is that if the balance of net cash resources exceeds three months' worth of average expenditures, the school food authority is required to take action.

What This Means

When a school food authority has cash resources that exceed the threshold, it must submit a detailed plan to the Ohio Department of Education and Workforce. This plan should outline how the SFA intends to reduce these excess funds in a way that aligns with the needs of the school community while still adhering to financial regulations.

Importance of Compliance

Maintaining appropriate cash levels is crucial for several reasons:

1. **Financial Responsibility:** Excess funds can indicate mismanagement or lack of proper budgeting, which can impact future funding and operations.
2. **Resource Allocation:** Reducing excess cash ensures that funds are being allocated effectively to support meal programs, enhancing the quality and variety of food offered to students.
3. **Regulatory Obligations:** Compliance with state regulations helps to maintain the integrity of the school food service program

Next Steps for School Food Authorities

If your school food authority finds itself above the three-month cash threshold, here are the necessary steps to take:

1. **Assess Expenditures:** Review average monthly expenditures to determine the cash balance in relation to these figures.
2. **Develop a Plan:** Create a detailed plan that outlines strategies for reducing excess funds. Consider the following ideas for spending:
 - **Improving Food Quality:** Invest in better ingredients to enhance the nutritional value and taste of meals.
 - **Kitchen Redesign:** Optimize kitchen layouts for efficiency, allowing for smoother meal preparation and service.
 - **Equipment Upgrades:** Purchase modern kitchen equipment to improve cooking methods and food safety.
 - **Cafeteria Marketing Plans:** Develop marketing strategies to promote healthy eating options and increase student participation in meal programs.
 - **Menu Expansion:** Introduce new menu items, including fresh fruits, vegetables, and diverse cuisines that cater to student preferences.
 - **Staff Training:** Allocate funds for training kitchen staff in nutrition and culinary skills to improve meal preparation and service.
 - **Community Engagement Initiatives:** Fund programs that involve students and parents, such as cooking classes or nutrition workshops.
3. **Submit to the Department:** Present the plan to the Ohio Department of Education and Workforce within the specified timeline to ensure compliance.
4. **Monitor and Adjust:** Continuously monitor cash resources and expenditures, adjusting strategies as necessary to maintain compliance and support the school's nutritional goals.

By understanding these regulations and their implications, school food authorities can better manage their resources and ensure they are effectively serving their students' needs.