



# Title VI Conference

## Costing and Selling Meals

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August 2018



# Listen in on this conversation between two meal providers...

I am so excited, I just figured out that my last month's meal costs were \$2.50

Really? Something must be wrong with my agency because my total cost per meal for last month was \$11.02



# Important Terms

- *Raw Food Cost*
  - How much it costs to buy the food
  - Generally, food cost should be around 30-35%
- *Labor Cost*
  - Staff needed to prepare the food, serve the food, etc.
  - Staff benefits, to include sick leave, vacation, etc.
- *Other Cost*
  - The cost of plates, cups, napkins, utensils, detergent, hair nets, etc.
  - The cost of the electricity, water, etc. necessary to host the meal service

# Why Calculate Total Cost Per Meal?

- To monitor monthly expenditures.
  - To explain the program's budget to participants, Tribal Leaders, or Commissioners.
  - To ensure you are charging the correct amount for guest meals.
  - To advance your program's business acumen by selling your meals to paying customers.
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# Total Cost of Meal Worksheet

Total Cost of Meal Worksheet					
Only insert information in the Yellow Highlighted Cells					
total number of meals served in the month	Congregate Meals				
	Home Delivered Meals				
	Staff meals, if permitted				
	Volunteer Meals, if provided				
	Guest Meals, if provided				
	<b>Monthly Meal Total</b>		0		
Food Cost	Invoices and Receipts	1		Note: If you have more than 5 invoices this month, record each invoice amount for the remaining invoices. Total them together and record the total in the 5+ row.	
		2			
		3			
		4			
		5+			
		<b>Monthly Invoice Total</b>			\$ -
<b>FOOD COST PER MEAL</b>		#DIV/0!			
Labor Cost	Employee Information	Employee Name	hours per month	hourly rate + benefits	monthly employee cost
					\$ -
					\$ -
					\$ -
					\$ -
		<b>Monthly Labor Total</b>			
<b>LABOR COST PER MEAL</b>		#DIV/0!	Labor Percentage of Total Cost=	#DIV/0!	
Other Cost	Cost of doing business	rent		Note: include costs separately or under indirect costs.	
		gas			
		electric			
		phone			
		repair(s)			
		Monthly indirect cost			
		other			
		<b>Total:</b>	\$0.00		
<b>OTHER COST PER MEAL</b>		#DIV/0!	Percentage for Other Costs:	#DIV/0!	
<b>THIS MONTH'S TOTAL COST PER MEAL (TCM)</b>				#DIV/0!	

For food service business keep labor at 25-35% of the total cost, and keep food at 25-35% of food costs. Monitor these costs monthly.

# Total Number of Meals Served in the Month

Congregate Meals	
Home Delivered Meals	
Staff meals, if permitted	
Volunteer Meals, if provided	
<b>Monthly Meal Total</b>	

- All meals served must be included regardless of who they were served to, or if any contributions received.
- Use a Daily Meal Count Record, to ensure monthly meal counts are accurate.

# Raw Food is Part of the Total Cost of a Meal

Food Cost	Invoices	1		
		2		
		3		
		4		
		5+		
		<b>Monthly Invoice Total</b>		\$
<b>FOOD COST PER MEAL</b>				

Document food invoice(s) in a yellow box.

# Labor is a Part of the TCM

Labor Cost	Employee	Employee Name	hours per month	hourly rate + benefits		monthly employee cost
						\$ -
						\$ -
	<b>Monthly Labor Total</b>					
<b>LABOR COST PER MEAL</b>				<i>Labor Percentage of Total Cost=</i>		



# Other Costs are Part of the TCM

Other Cost	Cost of doing business	rent		
		gas		
		electric		<i>Note: include costs separately or under indirect costs.</i>
		phone		
		repair(s)		
		Monthly indirect cost		
		other		
		Total:	\$	
<b>OTHER COST PER MEAL</b>			<i>Percentage for Other Costs:</i>	

# Exercise: Monthly TCM

Monthly Meal Count	
Congregate	714
Home Delivered	893
Staff (if permitted)	0
Volunteer	55
Guest	0

Monthly Invoices	
Sysco	\$ 4,300.00
Farmer Smith	\$ 567.00
Jones Dairy Farm	\$ 378.00
Sysco	\$ 2,790.00
Albertsons	\$ 50.00

Monthly Employee Wages		
Name	Hr/M	Cost/hr
Sally Smith	160	\$12.67
Todd Young	160	\$11.09
Galdys Adu	40	\$10.25
Leticia Everson	160	\$15.67

Other Costs	
Rent	\$2,400.00
Gasoline	\$ 500.00

# Total Cost of Meal Worksheet

*Only insert information in the Yellow Highlighted Cells*

total number of meals served in the month	Congregate Meals	714			
	Home Delivered Meals	893			
	Staff meals, if permitted				
	Volunteer Meals, if provided	55			
	Guest Meals, if provided				
	<b>Monthly Meal Total</b>	1662			
Food Cost	Invoices and Receipts	1. sysco	\$ 4,300.00	Note: If you have more than 5 invoices this month, record each invoice amount for the remaining invoices. Total them together and record the total in the 5+ row.	
		2. Farmer Smith	\$ 567.00		
		3. Jones Dairy	\$ 378.00		
		4. Sysco	\$ 2,790.00		
		5+ Albertsons	\$ 50.00		
		<b>Monthly Invoice Total</b>	\$ 8,085.00		
<b>FOOD COST PER MEAL</b>			<b>\$ 4.86</b>	Food Percentage of Total Cost=	46%
Labor Cost	Employee information	Employee Name	hours per month	hourly rate + benefits	monthly employee cost
		Sally Smith	160	\$12.67	\$ 2,027.20
		Todd Young	160	\$11.09	\$ 1,774.40
		Gladys Adu	40	\$10.25	\$ 410.00
		Leticia Everson	160	\$15.67	\$ 2,507.20
		<b>Monthly Labor Total</b>			
<b>LABOR COST PER MEAL</b>			<b>\$4.04</b>	Labor Percentage of Total Cost=	38%
Other Cost	Cost of doing business	rent	\$2,400.00	Note: include costs seperatly or under indirect costs.	
		gas	\$500.00		
		electric			
		phone			
		repair(s)			
		Monthly indirect cost			
		other			
		Total:	\$2,900.00		
<b>OTHER COST PER MEAL</b>			<b>\$1.74</b>	Percentage for Other Costs:	16%
<b>THIS MONTH'S TOTAL COST PER MEAL (TCM)</b>					<b>\$10.65</b>
Most food service business keep labor at 25-35% of the total cost, and keep food at 25-35% of food costs. Monitor these costs monthly.					

# Management Tool

FOOD COST PER MEAL	\$4.86	<i>Food Percentage of TCM:</i>	46%
LABOR COST PER MEAL	\$4.04	<i>Labor Percentage of TCM:</i>	38%
OTHER COST PER MEAL	\$1.74	<i>Other Percentage of TCM:</i>	16%
THIS MONTH'S TOTAL COST PER MEAL (TCM):			\$10.65

Most food service businesses strive to keep

- Labor at 25-35% of the TCM and
- Raw food costs at 30-35% of the TCM

Thank you