

Using a Budget to Save on Food Cost

Resource: Fact Sheet

Topic Area: Procurement

Subtopic Area: Food Purchasing

Introduction

In a child care setting, a budget is an excellent tool for managing revenue and expenses. It allows you to establish future goals, forecast revenue, and predict funds you plan to spend. Without a budget, you may buy more than you need or accumulate unwanted debt. A budget is an essential way to make sure you have adequate resources to offer nutritious meals and snacks.

Application

When planning a budget, there are five things to consider:

- Review your monthly expenses.
- Establish long-term goals involving the budget.
 - Set goals for what should occur in the program over the next three to five years.
- Develop a chart that features critical information for maintaining the budget.
 - Determine budget categories for revenues and expenditures.
 - Identify the necessary reports for creating and analyzing your budget.
 - Decide how much to allocate for a particular item or category.
 - Determine the expenses for each month, then add them together to create an annual budget.
- Project revenue based on the following factors:
 - The amount of money available from local, State, and Federal sources
 - The effects of an increase in reimbursement rates
 - Other revenue sources, such as grants, interest, rebates, and sale of equipment
- Estimate expenditures carefully.

Tips for Saving Money

- Plan cycle menus to meet the nutritional needs of children while balancing food costs.
- Check to see what you have on hand before shopping to prevent wasteful spending.
- Make a shopping list based on your menu and what you have in stock.
- Plan menus using seasonal produce.
- Compare pricing between food items by using unit pricing.
- Use coupons and sales ads for items you usually buy.

- Read the Nutrition Facts Label to identify the most nutritious food.
- Balance cost by combining high-cost foods with lower-priced foods and averaging the final amount.
- Avoid shopping when hungry.
- Buy foods in bulk and store them correctly.
- Visit nontraditional retail outlets to buy food:
 - o Farmer's market
 - o Local food bank
 - o Co-op

References

Institute of Child Nutrition. (2014). *Mealtime Memo March 2014: Healthy meals on a budget*.
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Institute of Child Nutrition. (2014). *Family child care fundamentals*. University, MS: Author.

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