

Concessions, Catering, and Food Service Management Company Contracts

Concessions

If a Food Service Management Company (FSMC) is operating concession stands for a school district, it must be a separate contract from the Child Nutrition Program contract. Concession stands are operated for profit in school districts with proceeds going to benefit various clubs or organizations within the district.

- Concessions must be treated as a separate business from the nonprofit food service.
- Food items and supplies such as cups, napkins, paper goods, etc., ordered for concessions should be ordered separately, on a separate purchase order, and billed separately to the district.
- Payments to vendors for food and supplies are not paid from the nonprofit food service account.
- Food for concessions should not be commingled with Child Nutrition food or considered “owned” by the Child Nutrition program. This inventory must be separate.
- USDA donated foods cannot be used or sold in concessions.
- Concessions labor should be a separate time sheet, paid out of a funding source other than the non-profit food service account.
- Employees involved in both operations need to complete Time Certification Sheets each month for audit purposes.
 - Available on the CN website but the district should also have these available.

The method in which the FSMC determines their profit in a concessions contract is up to the contracting entities. If the FSMC and district agree to use a formula like the meal equivalency formula, that’s up to the two parties. The bill for concessions is a separate bill from the Child Nutrition Program billing because it is a separate business.

Catering

Catered events refer to special events in addition to the reimbursable meals, a la carte items, or non-program meals served within the district. Catered events must be approved by the Child Nutrition Director. Once approved, the FSMC will:

- Price the event to include labor, food, and supplies
- The FSMC will, at their discretion, add a service fee to the event price.
- The service fee will be profit to the FSMC.
- The method used to arrive at the service fee is up to the FSMC. It may be a percentage of the event’s cost or a formula like meal equivalency, based on the total cost of the event.
- Items purchased for catering will be purchased separately, on a separate purchase order, and not billed to the non-profit Child Nutrition Program (CNP).

- The bill for catering or special functions should be sent to the school district/department/entity making the request for the event.
- The CND can also charge a service fee for the use of the facility. This should be paid directly to the nonprofit account. (not part of the FSMC bill)
 - The CNP typically does not charge a service fee to their district for school events. This would be up to the district and might depend on the size of the event.
 - Service fees are charged for outside groups requesting to use the facility.
 - Outside events always require a district or FSMC employees to be present.

Catering is explained in the current RFP this way:

Catering should be provided at a negotiated price for service between the FSMC and the sponsoring entity. Catering is not invoiced by the administrative and management per-meal fees, nor is it converted to meal equivalents. Pricing options are as follows:

- The cost per person is inclusive of food, supplies, labor, and FSMC service fees. Examples: Athletic banquet or senior banquet
- Priced as line items with a breakdown of food, supplies, labor, and FSMC service fees. Examples: Fruit and cheese trays, cookies by the dozen, sandwich trays, beverages
- Catering for district or outside groups will, at the discretion of the district, require a service fee payable to the NPSFSA for facility usage.

Pre-K Snacks during the day are not considered catering and should not be billed to the districts at the meal equivalency rate. Snacks are billed by the snack rate in the existing contract.

Snacks served to Pre-K students are billed at the per meal snack rate agreed upon in the contract. Pre-K snacks are not considered catering nor is the meal equivalency rate used to determine the number of snacks. Since these snacks are claimed for federal reimbursement through the Child and Adult Care Food Program (CACFP), the pre-k snack meal pattern must be met, daily records, production records, and menus must be maintained to back up the claim.

Catering Order Form

Step 1: Request and Approval (initial request goes to the Child Nutrition Director)

Requested by: _____ Date: _____

What: _____

When (date and time of the event): Date _____ Time _____

Where (list specific site): _____

Number of guests: _____

Menu

Comments or special instructions: _____

Service fee for site/facility use: \$ _____ N/A _____

Approve _____ Deny _____

Child Nutrition Director signature: _____ Date _____

Send to FSMC for pricing

Step 2: Pricing by FSMC

FSMC per meal price: \$ _____ (includes food, labor, and profit to the FSMC)

Total price for event: \$ _____

Comments: _____

FSMC Signature _____ Date _____

Send to requesting party

Step 3: Approval of Requesting Party

Comments: _____

Approve _____ Deny _____

Signature: _____ Title _____ Date _____

Return to CND

Step 4: CND makes copy and sends it to FSMC manager.

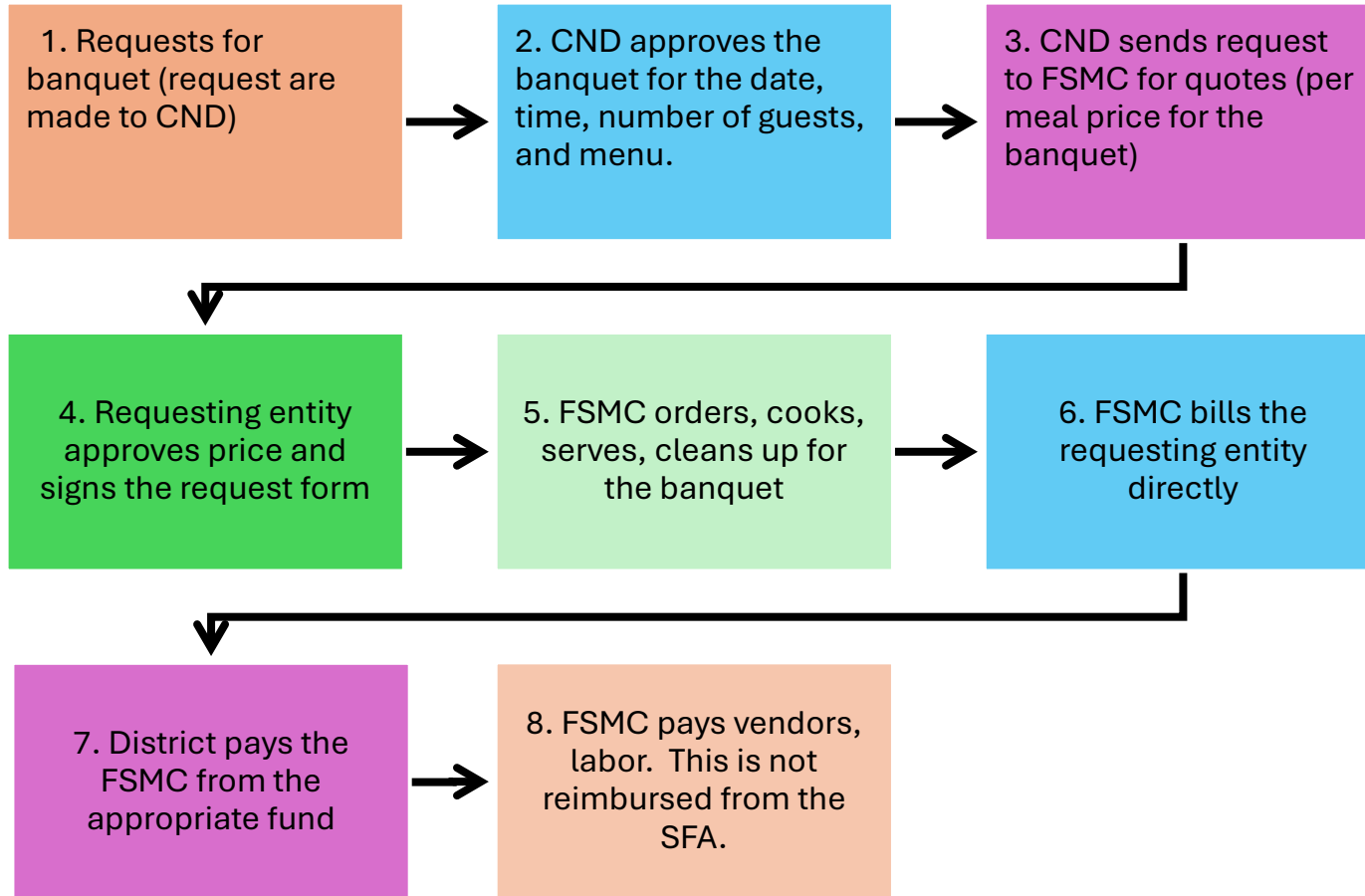
Step 5: FSMC orders food items and schedules labor for the event.

Step 6: After the event, the FSMC bills requesting party for the event at the quoted per meal rate.

Step 7: Payment is made to the FSMC from district funds.

***If a service fee is charged by CND, this will be billed separately by the CND to the requesting party and payable to the non-profit account.**

Catering Process with FSMC Contracts



1. Request is made to the CND.
2. CND approves or denies based on time, date, # of guest, menu. CND may or may not charge service fee.
3. CND sends request to FSMC and FSMC quotes a price for the entire event.
4. Requesting party approves or denies.
5. If approved, FSMC orders, cooks, serves, cleans up for the banquet. This is a separate order from program food. This is not reimbursed by the SFA.
6. FSMC bills the requesting department for the cost of the banquet.
7. Requesting department pays the FSMC.
8. FSMC pays vendors for items purchased for the event. FSMC is not reimbursed by the district for food, supplies, and labor.
9. If CND charges a *service fee for the use of the facility, the CND will invoice this separately.

Note: *Service fees are not typically charged for school events. These are more often for outside groups using the facility.