Dining Facility Inventory Management

Inventory Objective Value

- **Last Month's Earnings:** **$60,000.00**

- **Divide by Last Month's Number of Operational Days:** <u>**30**</u>

- **Equals (Average Daily Earnings):** **$ 2,000.00**

- **Times Target Days of Inventory** <u>**X   6**</u>

- **Inventory Objective** **$12,000.00**

Surplus Inventory Value

- **Last Month's Ending Inventory:** **$20,000.00**

- **Minus Inventory Objective Value:** **$12,000.00**

- **Equals Surplus Inventory Value** **$ 8,000.00**

- **DSS Notes:**

  - **If the dining facility was not open the previous month, the inventory value (EOM inventory) will show as a surplus.**

  - **If the dining facility had less than 100 average lunch headcount for the previous month, the inventory objective is increased by 25%.**

Reducing Surplus Inventory

- **Do it over a period of months time.**
  - ➢ **Don't start running out of food.**
  - ➢ **Must first establish good menu planning, ordering and inventory control procedures.**

- **Key First Step: Establish a Cycle Menu**
  - ➢ **The Menu is the central management document around which the whole food service operation revolves.**
  - ➢ **A Cycle Menu is a menu for a certain number of days or weeks that is repeated after a set amount of time.**
  - ➢ **Accounting Period – 1 Month.**

Inventory Control

- **Date all food items with date received.**

- **Check dates in ration storage areas on a routine basis to determine if they are being used within a 6-day period.**
  - ➢ **Food may no longer be on the Cycle Menu.**
  - ➢ **Food may have limited use on the Cycle Menu.**
  - ➢ **SPV ordering sizes too big. Be careful about reducing Prime Vendor Package sizes ($$$=Distribution Fees).**
  - ➢ **DFAC orders rations without checking:**
    - ❖ **BOH**
    - ❖ **Due-ins**
    - ❖ **Due-outs**

Inventory Control

- **Use automated (EXCEL) Disposition of Subsistence to track food items over a menu cycle or month's time.**
  - ➢ **Start tracking next month.**
  - ➢ **Look at a previous accounting period. Use:**
    - ❖ **Monthly Inventories**
    - ❖ **SPV Receipts**
    - ❖ **Kitchen Requisitions**
    - ❖ **AFMIS Disposition of Subsistence (coded A,B,C)**
- **Determine if your running balance is set at the right level.**
  - ❖ **Too high = surplus inventory**
  - ❖ **Too low = run outs**

Par Level Management

- **Targeted Stockage Objectives**
- **Work well with routine/daily use items (predictable movers)**
- **Can use to establish standing orders**

- **Set Par Levels based on:**
  - ➢ **Cycle Menu**
  - ➢ **Expected Headcount**
  - ➢ **Usage History**

- **Everybody must be comfortable with Par Levels.**
- **Reduced Inventory = Less Inventory work.**

Ordering & Inventory Control

- **Ordering Rations:**
  - ➢ **BOH**
  - ➢ **Due-ins**
  - ➢ **Due-outs**
  - ➢ **Par Levels**

- **Increased Headcount = increased stockage levels.**

- **Conduct and track weekly inventories.**
  - ➢ **Field residuals**
  - ➢ **Large quantities**
  - ➢ **Slow or non moving items**

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