





Sacramento, CA

# Calculating Nonprogram Foods Costs

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# Questions to Think About Today

1) Are you meeting the nonprogram foods requirements?

2) What types of nonprogram foods are you currently selling?





# Learning Objectives

- Define nonprogram foods
- Identify types of nonprogram foods
- Explain the federal requirements and how to comply
- Demonstrate the USDA's Nonprogram Revenue Calculator Tool
- Review Administrative Review Off-site Assessment questions



# Nonprogram Foods

- Nonreimbursable food and beverage items
  - Purchased with Cafeteria Funds

- Nonprogram foods = competitive foods
  - Purchased and sold by food service
  - Revenue must accrue to the Cafeteria Fund



# Types of Nonprogram Foods

- Individually sold items (à la carte)
- Sale of a second meal
- Adult meals
- Items purchased and sold in vending machines or school stores
- Fundraisers
- Catered meals



# Revenue from Nonprogram Foods

- Section 206 of the Healthy, Hunger-Free Kids Act
  - Must generate at least the same proportion as they contribute to food cost
  - Not subsidized by revenues from program meals

- Compliance with federal requirements
  - Track nonprogram food costs and revenues separately from program foods



# Revenue from Nonprogram Foods

Total Nonprogram Foods Revenue

Total Revenue

≥

Total Nonprogram Foods Costs

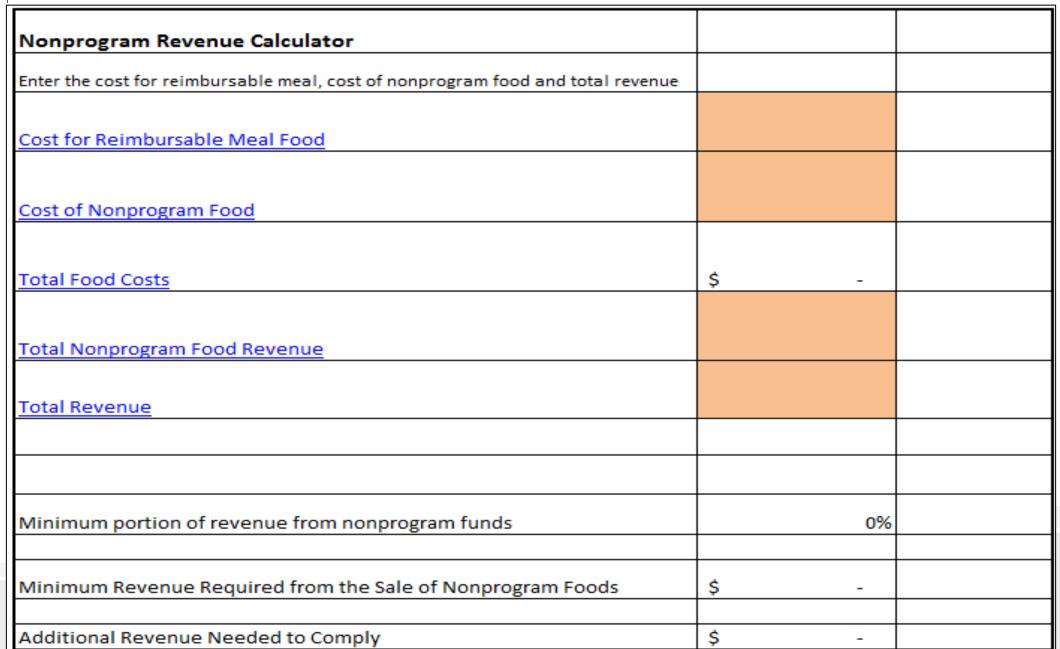
Total Food Costs



# USDA Nonprogram Foods Revenue Calculator

- To complete this tool, an SFA must collect the following data:
  - Cost of both program and nonprogram foods
  - Total school nutrition program revenue from the previous school year







### Cost of Food in a Reimbursable Meal

- Total food cost for all reimbursable meal(s)
  - Breakfast, lunch, snack



Nonprogram Revenue Calculator	
Enter the cost for reimbursable meal, cost of nonprogram food and total revenue	
Cost for Reimbursable Meal Food	



# Example: Cost of Food in a Reimbursable Meal

#### **Breakfast**

Total Reimbursable Meals Served x Average Meal Cost

$$52,200 \times 1.50 = 78,300$$

#### Lunch

Total Reimbursable Meals Served x Average Meal Cost

$$115,700 \times 2.25 = 260,100$$



### Cost of Nonprogram Food & Total Food Costs

- Cost of Nonprogram Food
  - Total amount paid for nonreimbursable meals
- Total Food Costs
  - Total amount for reimbursable and nonreimbursable meals

Cost of Nonprogram Food		
Cost of Nonprogram Food		
Total Food Costs	\$ -	

# Sample Cost of Nonprogram Food & Total Food Costs

Total Food Costs – Costs for Reimbursable Meal Food = Cost of Nonprogram Food



### Total Revenue

Total of all deposits received by or accruing to the Cafeteria Fund

- Student payments, earnings on investments, reimbursements
- Nonfederal funds

Total Revenue



### Total Nonprogram Food Revenue

- All revenue from the sale of nonprogram foods and beverages
  - Adult meals, à la carte, second meals, catering

# Total Nonprogram Food Revenue

Minimum portion of revenue from nonprogram funds	0%	
Minimum Revenue Required from the Sale of Nonprogram Foods	\$ _	
Additional Revenue Needed to Comply	\$ 	



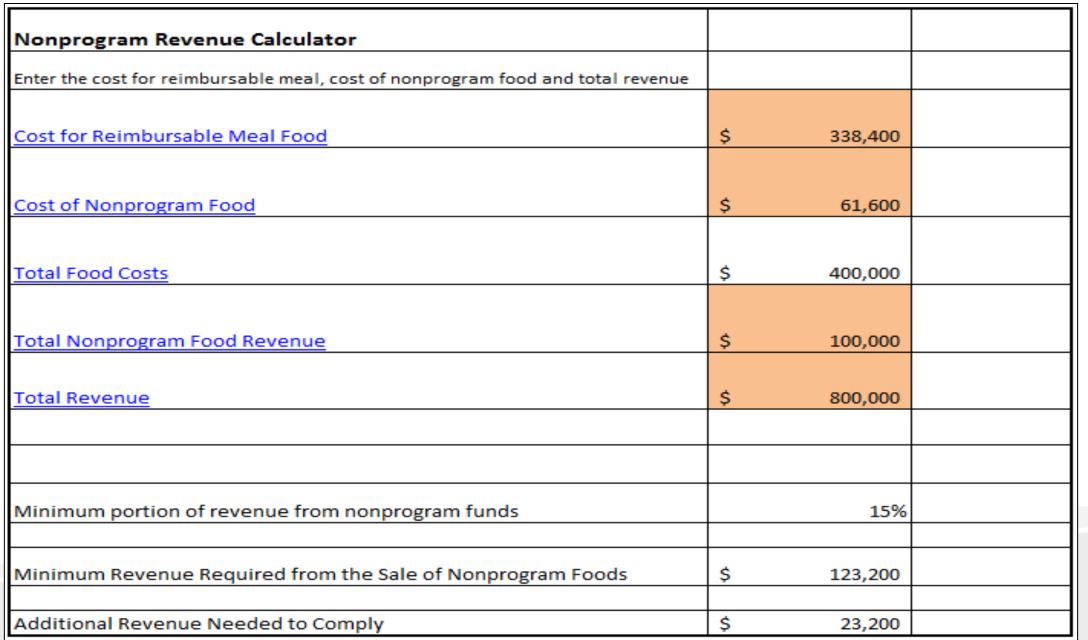
# Example:

Total Revenue & Total Nonprogram Food Revenue

Total Revenue: \$800,000

Total Nonprogram Food Revenue: \$100,000







### Ratio Formula

### **USDA** Requirements

# Total Nonprogram Foods Revenue Total Revenue



Total Nonprogram Foods Costs

Total Food Costs

### SFA Example

Revenue Ratio 
$$\frac{$100,000}{$800,000} = 12.5\%$$

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Food Cost Ratio 
$$\frac{\$61,600}{\$400,000} = 15.4\%$$



### Administrative Review Off-site Questions

1. Did the SFA use the USDA Nonprogram Revenue Calculator Tool?

2. Was the SFA's proportion of total revenue from nonprogram and program foods greater than or equal to the proportion of total costs associated with nonprogram and program foods?



### Resources

- USDA Guidance on Paid Lunch Equity and Revenue from Nonprogram Foods <a href="http://www.fns.usda.gov/guidance-paid-lunch-equity-and-revenue-nonprogram-foods">http://www.fns.usda.gov/guidance-paid-lunch-equity-and-revenue-nonprogram-foods</a>
- Cafeteria Fund Guidance Web page <u>http://www.cde.ca.gov/ls/nu/sn/cafefundguide.asp</u>
- USDA Policy Memo SP 39-2011
- Revenue from Nonprogram Foods Q&A



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# Thank you



