



Calculating Nonprogram Foods Costs

Joan Davis

School Nutrition Program Specialist

California Department of Education





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

$$\frac{\textit{Total Nonprogram Foods Revenue}}{\textit{Total Revenue}} \geq \frac{\textit{Total Nonprogram Foods Costs}}{\textit{Total Food Costs}}$$



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

Nonprogram Revenue Calculator		
Enter the cost for reimbursable meal, cost of nonprogram food and total revenue		
Cost for Reimbursable Meal Food		
Cost of Nonprogram Food		
Total Food Costs	\$	-
Total Nonprogram Food Revenue		
Total Revenue		
Minimum portion of revenue from nonprogram funds		0%
Minimum Revenue Required from the Sale of Nonprogram Foods	\$	-
Additional Revenue Needed to Comply	\$	-




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

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

$$\$78,300 + \$260,100 = \$338,400$$



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

<u>Cost of Nonprogram Food</u>	
<u>Total Food Costs</u>	\$ -



Sample

Cost of Nonprogram Food & Total Food Costs

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

$$\begin{aligned} & \$400,000 - \$338,400 \\ & = \mathbf{\$61,600} \end{aligned}$$



Total Revenue

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

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

<u>Total Revenue</u>	
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Total Nonprogram Food Revenue

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

<u>Total Nonprogram Food Revenue</u>	
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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**

Nonprogram Revenue Calculator		
Enter the cost for reimbursable meal, cost of nonprogram food and total revenue		
Cost for Reimbursable Meal Food	\$	338,400
Cost of Nonprogram Food	\$	61,600
Total Food Costs	\$	400,000
Total Nonprogram Food Revenue	\$	100,000
Total Revenue	\$	800,000
Minimum portion of revenue from nonprogram funds		15%
Minimum Revenue Required from the Sale of Nonprogram Foods	\$	123,200
Additional Revenue Needed to Comply	\$	23,200



Ratio Formula

USDA Requirements

$$\frac{\textit{Total Nonprogram Foods Revenue}}{\textit{Total Revenue}} \geq \frac{\textit{Total Nonprogram Foods Costs}}{\textit{Total Food Costs}}$$

SFA Example

$$\begin{aligned} \text{Revenue Ratio} &= \frac{\$100,000}{\$800,000} = 12.5\% \\ &< \\ \text{Food Cost Ratio} &= \frac{\$61,600}{\$400,000} = 15.4\% \end{aligned}$$



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



Questions?

Cafeteria Fund Team Contact Information

E-mail: snpcafefundquestions@cde.ca.gov



Thank you

