The Price is Right

Charity Blair – March 2, 2020

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Session Overview

Identify Non-Program Foods

Adult Meal Pricing Tool

Paid Lunch Equity Tool

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Non-Program Foods

All foods outside of the reimbursable meal

Purchased by school food service

Sold by school food service

Non-Program Foods

A la carte

Adult meals

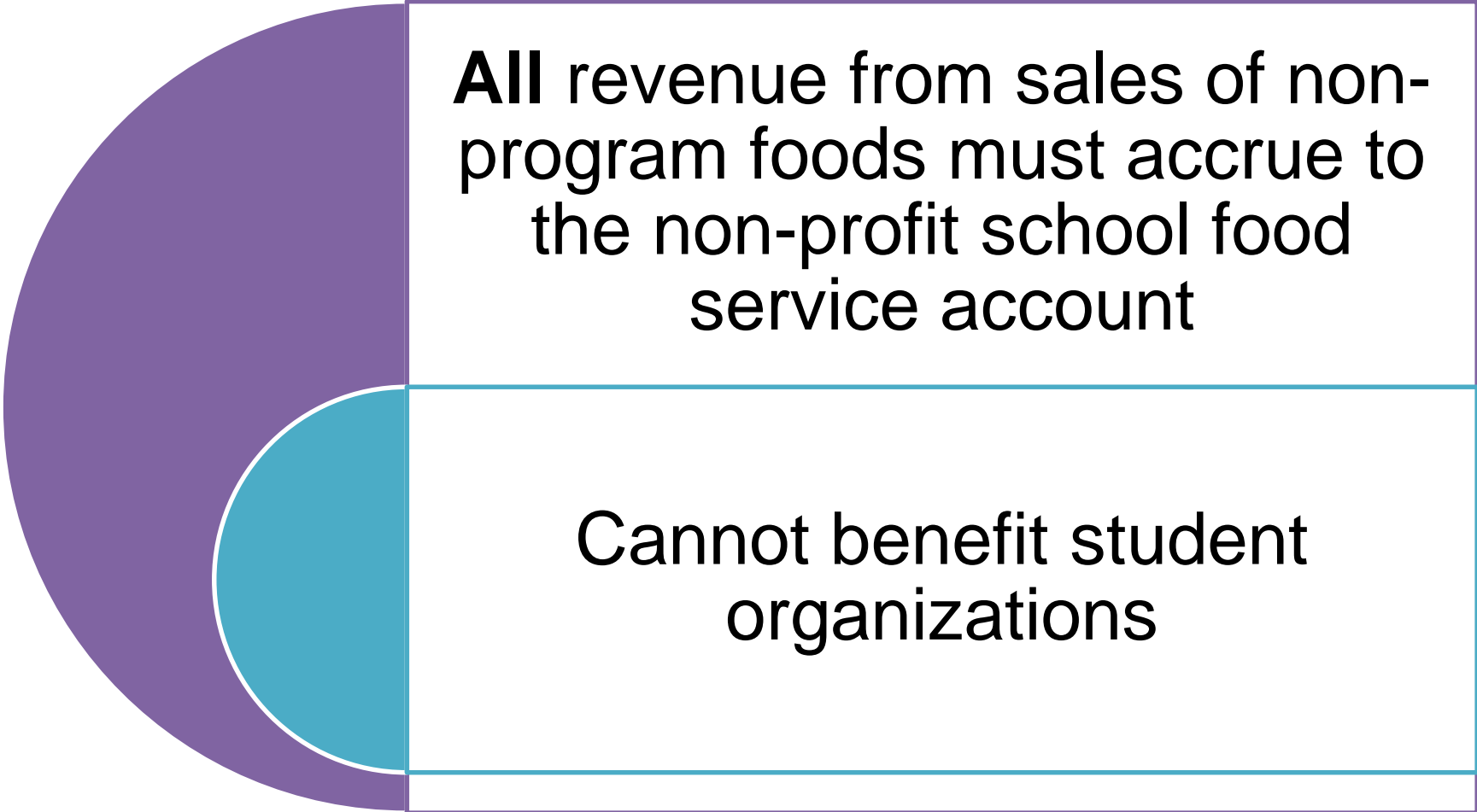Vending machines

School stores

Catering

Non-Program Foods

Foods and beverages sold in a school:

- at any time or
- any location
- on school campus
- during the school day

Purchased with the non-profit food service account

Non-Program Foods

All revenue from sales of non-program foods must accrue to the non-profit school food service account

Cannot benefit student organizations

Non-Program Foods

Student Organizations

↓

May still purchase foods through non-profit school food service account

↓

Cost of food must be paid entirely, as well as labor, preparation, etc.

Non-Program Foods

Regulation

To ensure that revenues from sale of non-program foods generate at least the same proportion as they contribute to food costs

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What is Revenue?

Federal reimbursements

State or local per-meal subsidies

Student payments for reimbursable meals

A la carte sales, catering, adult meals

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What is a Non-Program Food Cost?

Food and beverage cost only

Does not include labor

Labor is included only when foods are purchased for a student organization

Revenue Requirement

Revenues from the sales of non-program foods *must generate at least the same proportion of school food authority revenues* as they contribute to food costs

Non-Program Foods

To implement requirement

⬇

Price non-program foods high enough to ensure compliance

⬇

Track non-program food costs and revenues separately

⬇

Track total food cost and revenues

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Calculation Needs

Total food cost

↓

Total non-program food cost

↓

Total non-program food revenue

↓

Total revenue

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Example

Non-program food revenue	≥	Non-program food cost
Total revenue		Total food cost
Total revenue %	≥	Total cost %

Divide both sides of this equation.

Left side is greater than right side = compliance.

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Example

Non-program food costs: $50,000

Total food costs: $500,000

Non-program revenue: $125,000

Total revenue: $1,000,000

Example

$125,000	≥	$50,000
$1,000,000		$500,000
12.5%	≥	10%

In this example, the revenue is greater than the cost

Is this program in compliance?

Adult Meal Pricing Tool

Download Forms section of the CRRS

Tool to assist in pricing adult meals

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Paid Lunch Equity Tool

- Why?

  – Required to ensure enough funds are provided to the nonprofit school food service account for paid lunches.

- When?

  – Annual calculation

Paid Lunch Equity Tool

- **Flexibilities for Paid Lunch Equity (PLE) for 2020-2021:** For school year 2020-2021, only a School Food Authority (SFA) that had a negative balance in its nonprofit school food service account as of December 31, 2019 is required to establish a price for paid lunches in accordance with 7 CFR 210.14(e).

Paid Lunch Equity Tool

Download Forms section of the CRRS

Tool to assist in establishing a price for paid lunches

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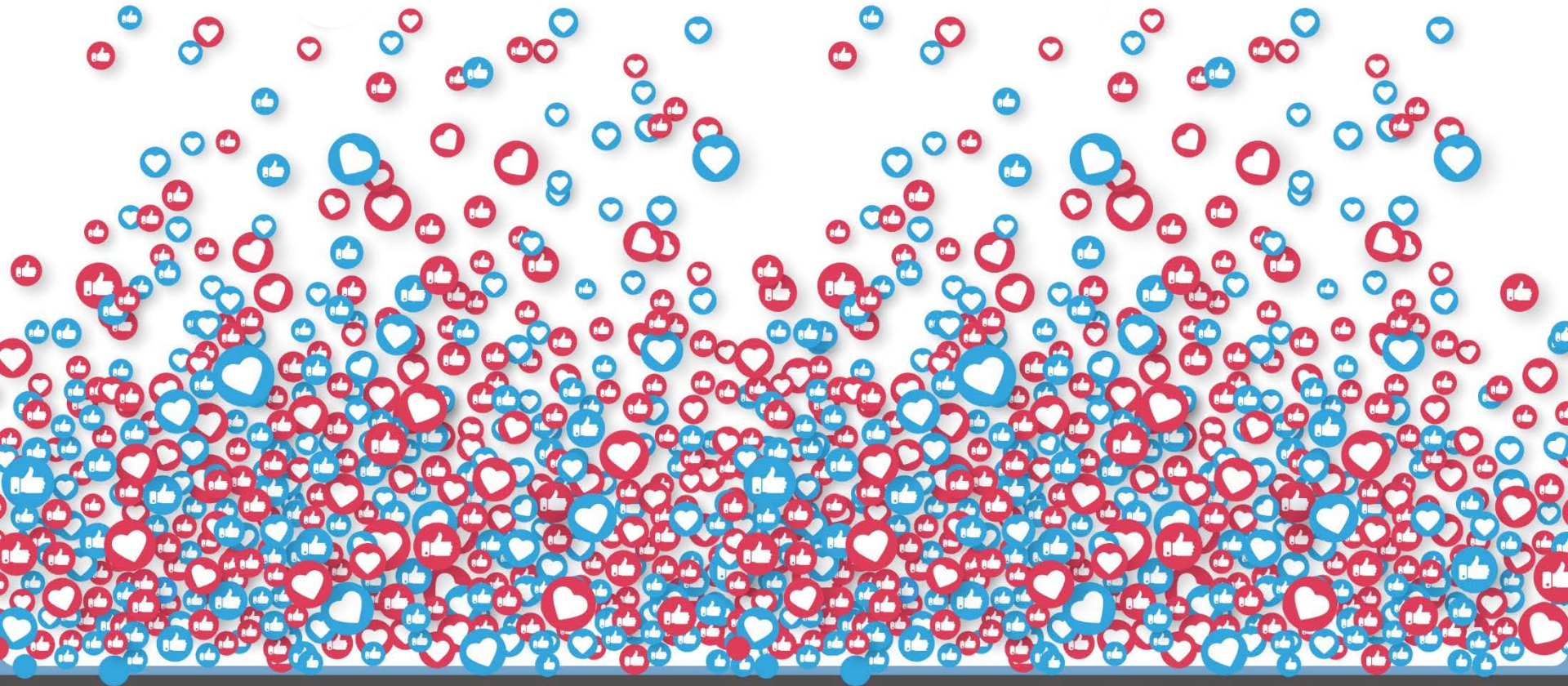
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