



Revenue from Nonprogram Foods

This section looks at the revenues collected NOT associated with reimbursable meals. From our USDA guidance the ISBE “must assess whether the SFA took steps to ensure the *revenues from the sale of Nonprogram foods* generate at least the same proportion of SFA revenues as *expenses from the purchase of Nonprogram foods* contribute to the SFAs food costs (7 CFR 210.14 (f)).”

Foods that Fall Under Nonprogram

- A La Carte
- Fundraisers
- Adult Meals
- School Stores
- Vending Machine revenue
- Catered/Vended Meals to outside organizations

Tools Used to Determine Compliance

- USDA Revenue from Nonprogram Foods Calculator (Attached in Links)
- ISBE Five Day Tool (Best practice to determine average cost to produce your meals)
- Locally Generated Spreadsheets

Locally generated spreadsheets tend to be the most popular way to determine compliance. Nonprogram Foods Calculator requires all revenues and expenses of the program, broken down between program and Nonprogram. This information is accessible through the locally generated spreadsheets or reports run through point of sale systems (Skyward, Lumen, Teacher Ease, etc...).

Adult Meal Pricing

The overall cost of meals must include the value of any USDA Foods (Entitlement and Bonus) per FNS Instruction 782-5 Rev. 1. The pricing of adult meals must be over the highest price charged to students per SFA or over that of reimbursement in a CEP program. For 2020-21, the price over is \$0.40 with an ISBE suggestion of \$0.50.

- Planned Assistance Level (\$0.3625 for 2019-20) PLUS Menu Certification (\$0.07) = \$0.41 rounded down to \$0.40 requirement

ISBE suggests \$0.50 over based on the fact the factors that go into the \$0.40 requirement can change year to year.

- Pricing Programs
 - If your SFA is a K-12 and you have three price levels based on K-5, 6-8, and 9-12 for example at \$2.50, \$2.75, and \$3.00 respectively, the adult meal price should be no less than \$3.40 at ALL LEVELS.

- Community Eligibility Provision Programs
 - If you are a CEP SFA and for 2019-20 you received \$3.50 per meal, your adult meals should be no less than \$3.90 per meal.
 - If setting adult meal prices prior to reimbursement rates being available, the requirement over the previous year reimbursement will suffice

SFAs with Food Service Management Contracts

Outside of the adult meal compliance, SFAs under FSMC, compliance is determined based on the A La Carte Equivalency Rates and Factors. To determine compliance in this area, we expect the rate paid for a la carte equivalency to be less than the factor. The factor for 2020-21 looks to be 3.9025.

Catering to Other Entities (Outside organizations, school to school agreements, school programs)

Many SFAs purchase foods through the same kitchen accounts as they would for the reimbursable meals. Could be for sporting events or other school activities, board meetings, and/or be entered into a school to school agreement. A school to school agreement is where your home school supplies the lunches for another SFA, child care center, special education coop, etc. The revenue received must be enough to cover cost and be recovered through invoices and receipts.

When reviewing the General Ledger for Food Services, acknowledgement of purchases for these events must be reconciled with repayment.

Possible Citations under Revenue from Nonprogram Foods

- Failure to determine compliance via applicable tools
- Not charging enough for adult meals
- Purchases made for other events or organizations not reimbursed to the NSLP

LINKS

USDA Q&A: <https://fns-prod.azureedge.net/sites/default/files/cn/SP39-2011r.pdf>

GUIDANCE: <https://www.fns.usda.gov/guidance-paid-lunch-equity-and-revenue-nonprogram-foods>

ISBE VIDEO: <https://vimeo.com/339360986>