

# Nonprogram Food Revenue Tool Exceptions

SFAs that sell **only nonprogram milk** and **adult meals** as nonprogram foods are exempt from completing the USDA Nonprogram Food Revenue tool. Although SFAs are still required to separate their nonprogram milk and adult meal costs from program costs and nonprogram milk and adult meal revenues from program revenues.

## Nonprogram Milk

Compliance is determined by recovering more than the per-serving cost. For example: If the per serving raw food cost of a carton of milk is \$0.21, a minimum charge of \$0.25 is allowable as \$0.25 covers the food cost and adds a small amount to cover other costs.

- Food cost expenditure for nonprogram milk may be pulled out of total food cost expenditure by taking the average net dairy cost (e.g. \$0.21) X number of nonprogram milks sold. Any paper cost like straws or napkins should also be included.
- Revenue from nonprogram milk may be pulled out of total revenue by taking the actual per carton selling price (e.g. \$0.25) X number of nonprogram milks sold.

## Adult Meal

Compliance is determined if adult meals are priced using the adult meal minimum price calculation, which for pricing schools, is calculated by taking the highest paid student meal price, adding all state and federal reimbursements, and adding the USDA foods value to equal the minimum price to charge. For non-pricing schools, the free federal reimbursement rate is used plus the state reimbursement and USDA foods value to equal the minimum price to charge.

- Food cost expenditure – calculate the average per meal raw food cost by meal type NSL, SB, etc. *DPI has created a tool to cost out your menus per meal by meal type which may assist you in this process <http://dpi.wi.gov/sites/default/files/imce/school-nutrition/xls/menu-raw-food-costing-tool.xls>. Once you know the average per meal raw food cost by meal type, you multiply that by the number of adult meals sold and pull that cost from the overall food expenses.*
- Labor cost expenditure – you need to know the total labor hours allocated by program via weekly time study done annually.
  - For example: If you sold 475 student lunches and 25 adult lunches on average per day, for a total of 500 lunches, the student lunches are 95% of the total lunches (475/500) and would use 95% of the labor hours, and adult lunches would use 5% of the labor hours as 25 lunches/500 total lunches = 5%. If it takes 5 labor hours to prepare the 500 meals, 95% of those 5 labor hours or about 4.75 hours are spent on student meals, and 5% of those labor hours or about .25 hours are spent on adult meals. If you know your total labor cost overall, apply the 5% to the total to get just the portion of labor to allocate to the adult lunches. You would need to conduct a separate time study for breakfast as the percentage could be far different.
- Revenue from adult meals may be pulled out of total revenue by taking the actual per meal selling price (e.g. \$4.00) X number of adult meals sold.