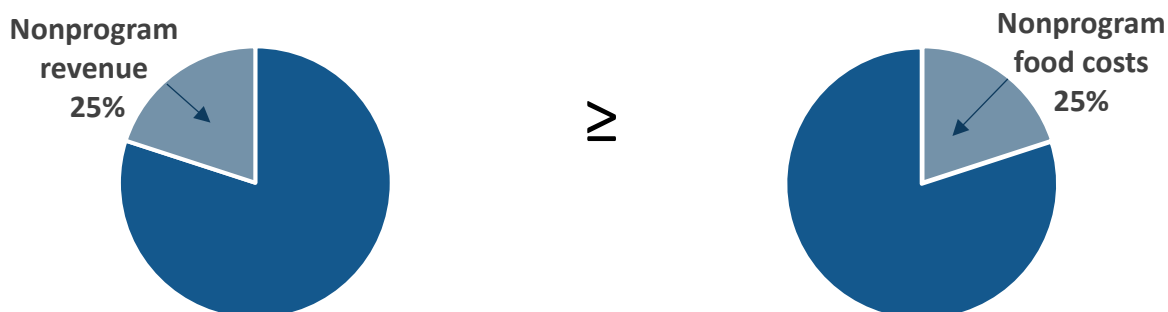


Topic: Revenue from Nonprogram Food

Overview

The purpose of the Revenue from Nonprogram foods rule is to ensure that revenue from the sale of nonprogram foods generates at least the same proportion of revenue as they contribute to the sponsor's total food costs.

For example, if nonprogram food revenue makes up 25% of total revenue, the food cost should be the same proportion or less. See chart below.



Requirements:

- ✓ Sponsors must track nonprogram food costs separately from program food costs.
- ✓ Sponsors must track nonprogram revenue separately from program revenue costs.
- ✓ Sponsors must complete revenue calculations to determine if the percent of total revenue that is generated from nonprogram food sales is equal or greater than the percent of total food costs attributable to the purchase of nonprogram foods.
- ✓ If the revenue percent for nonprogram foods is less than the food cost percent for nonprogram foods, the sponsor has priced nonprogram foods too low, and must increase nonprogram food prices until the revenue ratio is equal to or greater than the food cost ratio or contribute non-federal funds to the nonprofit school service account to address the revenue shortfall.

Definitions:

- ✓ Cost of nonprogram food – total food cost for all non-reimbursable food/beverage items sold in previous school year.
- ✓ Cost of program food - total food cost of reimbursable meals that were claimed in previous school year, (USDA foods/commodity included).
- ✓ Total food cost – the total food cost for reimbursable meals (including USDA Foods) and nonprogram foods.
- ✓ Total nonprogram food revenue - revenues from all adult meals, student second meals, second milks, a la carte, vending machines and catering. Revenue from all items sold that are not reimbursable meals
- ✓ Total revenue - food service revenues, including USDA Foods entitlement.

Nonprogram Revenue Tools

USDA Nonprogram Revenue ToolThe USDA Nonprogram Revenue Tool helps sponsors calculate the amount of revenue required to meet requirements. To use the tool, the sponsor must collect the cost of both program and non-program food and the total revenue from both from the previous school year. Based on these amounts, the tool will calculate the minimum amount of revenue from non-program foods that is required to meet this requirement. The tool will also calculate the additional revenue, if any, needed to comply.

ODE Nonprogram Food Cost and Revenue Proportion CalculatorThe ODE Nonprogram Cost and Revenue Proportion Calculator assist sponsors in calculating the proportion of program/nonprogram revenue and food costs. To use the tool, the sponsor must collect either the cost of both program and non-program food and nonprogram revenue and total revenue from the previous school year, or, the cost of nonprogram food and total food costs and nonprogram revenue and total revenue from the previous school year.

Helpful Resources:

- ✓ [USDA Nonprogram Food Revenue Tool](#)
- ✓ [ODE Nonprogram Food Cost and Revenue Proportion Calculator](#)
- ✓ [ICN Financial Management Information Systems Booklet](#)

Regulatory Reference:

- ✓ [7 CFR 210.14\(a\)](#)
- ✓ [SP20-2016: Nonprofit School Food Service Account Nonprogram Food Revenue Requirements](#)
- ✓ [SP13-2014: School Food Service Account Revenue from the Sale of Nonprogram Foods](#)
- ✓ [SP39-2011: Guidance on Paid Lunch Equity and Revenue from Nonprogram Foods](#)

Acronym Reference and Definitions

-CNS	Child Nutrition Services
-FNS	Food and Nutrition Services
-ODE CNP	Oregon Department Education Child Nutrition Program
-USDA	United States Department of Agriculture
- ICN	Institute of Child Nutrition

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