



# WISCONSIN SCHOOL NUTRITION IN A NUTSHELL

**Nonprogram Foods Revenue:** All food sold in a school and purchased with funds from the nonprofit school food service account, other than meals and supplements reimbursed by the USDA, must generate revenue at least equal to the full cost of such foods (7 CFR Part 210).

**All costs** of Nonprogram Foods **must be covered by revenues** received from the sale of those foods including **Food • Labor • Equipment • Purchased Services • Other expenses**

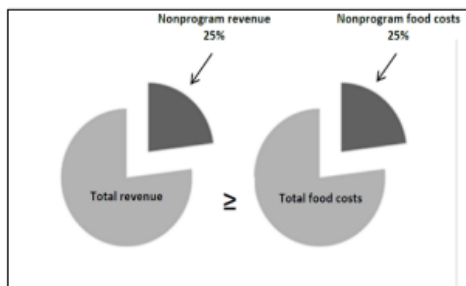
Nonprogram Foods **may not be supported by funds from reimbursable meals** or have losses absorbed by the food service account. If Nonprogram Foods revenue is in the negative, non-federal funds must be transferred into the food service account to cover the deficit.

**Nonprogram Foods include** any non-reimbursable foods and beverages purchased using funds from the nonprofit foodservice account to include, but not limited to: • Extra entrees • A la carte items • Adult or visitor meals • Cold lunch milk/extra milks sold/paid milk breaks/ unreimbursed Wisconsin School Day Milk • Food service operated vending machines • Foods sold outside school hours by food service • Foods used for catering • Foods sold to classes or fundraisers • Vended meals sold to other agencies (Joint) • Any other foods for which the SFA does not receive reimbursement from USDA

**Nonprogram Foods revenue compliance requires all SFAs to:**

- Separate nonprogram food costs from program food costs and food revenues from program food revenues.
- Sufficiently increase nonprogram food prices to cover all costs and comply with the revenue ratio.
- Use the [USDA Nonprogram Food Revenue Tool](https://dpi.wi.gov/sites/default/files/imce/school-nutrition/xls/usda-nonprogram-food-revenue-tool.xlsx) (https://dpi.wi.gov/sites/default/files/imce/school-nutrition/xls/usda-nonprogram-food-revenue-tool.xlsx) **annually**, at a minimum, **to determine if the proportion of nonprogram food revenue to total food service revenue is equal to or greater than the proportion of nonprogram food cost to total reimbursable meal food costs + nonprogram food cost.**

$$\frac{\text{Nonprogram Food Revenue } 3}{(\text{Nonprogram Revenue} + \text{Program Revenue}) } 4 \geq \frac{\text{Nonprogram Food Costs } 1}{(\text{Nonprogram Costs} + \text{Reimbursable Meal Costs}) } 2$$



Cost for Reimbursable Meal Food	\$ 1,500
Cost of Nonprogram Food <sup>1</sup>	\$ 500
Total Food Costs <sup>2</sup>	\$ 2,000
Total Nonprogram Food Revenue <sup>3</sup>	\$ 1,000
Total Revenue <sup>4</sup>	\$ 4,000
Minimum portion of revenue from nonprogram funds	25%
Minimum Revenue Required from the Sale of Nonprogram Foods	\$ 1,000
Additional Revenue Needed to Comply	\$-

To complete the [DPI Nonprogram Foods Revenue Tool](#) (feeds into the USDA tool):

- Select a reference period, at least five consecutive operating days of a regular school week.

### Collect the following SFA-wide information for the reference period:

- Nonprogram Foods revenue: the dollar amount of all nonprogram food sales.
- Program revenue: the dollar amount of program and nonprogram food sales.
- Nonprogram Foods food cost data:
  - An itemization of all nonprogram foods offered during the reference period,
  - Cost per each nonprogram food or item,
  - The number of items or servings sold for each nonprogram food.
- For program foods food cost data:
  - An itemization of all program foods or meals offered during the reference period,
  - Cost of each program meal,
  - The number of reimbursable meals sold.
- Total food cost data: all Nonprogram Foods food cost data and program foods food cost data

Compare the reference period revenue ratio to the reference period food cost ratio to determine if the revenue ratio is equal to or greater than the food cost ratio. Rather than separating all costs for the entire year (although recommended), SFAs may separate their nonprogram food costs from their program food costs for the selected reference period. If the revenue ratio is equal to or greater than the food cost ratio, the SFA is in compliance.

- **Tool Exceptions**– SFAs selling only nonprogram milk and adult meals as nonprogram foods are exempt from completing the USDA Nonprogram Food Revenue tool. SFAs must still separate their nonprogram milk and adult meal costs from program costs and nonprogram milk and adult meal revenues from program revenues [Nonprogram Food Revenue Tool Exceptions](#).
- **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 \$.21, a minimum charge of \$.25 is allowable as \$.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., \$.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., \$.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 a Raw Food Cost Tool to cost out your menus per meal by type which may assist you in this process. ◦ Labor cost expenditure – total labor hours allocated by program via weekly time study done annually. ◦ 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.

### Additional guidance and resources

- SFAs must annually be provided information on food costs and revenues from Food Service Management Companies (FSMC) for fixed price per meal contracts where revenues from nonprogram food sales are converted into meal equivalents. The information must include food cost for reimbursable meals, food cost for non-program food, revenue from nonprogram food, and total revenue to determine SFA compliance with nonprogram food revenue requirements. • [The Raw Food Cost Tool](#). • The [USDA Food Buying Guide](#) provides useful information for determining the serving sizes for food items either sold individually or incorporated into recipes. • [Wisconsin Adult Meal Pricing Worksheet](#)