

Memorandum

To: School Food Authorities
From: *MB* Mary Burks, Director
School Support Division
Date: December 10, 2021
Subject: Calculating Adult Meal Prices & Free Adult Meal Requirements

This memo serves as guidance on adult meal pricing and its effect on the nonprofit school food service account. Adult meals served to staff members and visitors must follow federal nonprogram food guidelines outlined in 7 CFR 210.14 (f). Adult meal pricing must be reviewed annually, and if deemed insufficient, must be raised.

Adult Meal Pricing includes breakfasts and lunches served to adults for a fee at the Point of Sale (POS), as well as meals served to non-food service staff members free of charge through a direct-billing agreement with the district or other non-federal funding source. Meals served to food service employees are considered in-kind and are exempt from the following guidelines.

Food service programs must price adult meals to cover (match or exceed) the meal's cost. Since adult meal costs can be difficult to calculate, School Food Authorities (SFAs) should follow the pricing guidelines in FNS Instruction 782-5 as described below.

Adults should be charged at a rate greater than the total amount received for the highest student price. For pricing sites, this would include the highest price that a student pays, plus federal reimbursements for a paid meal, plus the federal commodities rate. For non-pricing sites, the minimum adult meal price should be at least the federal reimbursement rate received for a free meal, plus the federal commodities rate. For example, if an SFA is \$.07 performance-based reimbursement certified or receives the \$.02 severe need differential, these reimbursements should be included in the total federal reimbursement amount.

If adults are not charged directly, the SFA must determine another source of non-federal revenue to cover the cost of the adult meals. In these cases, SFAs should carefully track the number of adult meals served and identify the non-federal funds used to cover adult meals. Adequate pricing policies ensure Child Nutrition program revenues are not being used to offset nonprogram food costs, such as adult meals. An SFA should annually re-calculate their adult meal pricing policy to reflect current reimbursement rates.

The following examples use the reimbursement rates (i.e., lunch and commodity rates) from School Year 2021- 2022. SFAs should use the reimbursement rates for the current school year, which is released annually by USDA.

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Examples:

1) If a pricing school charges \$3.00 for paid student lunches, receives the \$.07 for performance-based cash assistance, and receives the \$.02 severe need differential, then the school would need to charge the following amount for adult breakfasts and lunches served:

Adult Breakfast Calculation

Student Breakfast Price (charged to a Paid student)**	\$2.00
Federal Reimbursement Rate for a Paid Breakfast	\$.33
= Minimum Required Adult Lunch Price	\$2.33

Adult Lunch Calculation

Student Lunch Price (charged to a Paid student)**	\$3.00
Federal Reimbursement Rate for a Paid Lunch	\$0.37
Federal \$.07 Certification	\$0.07
Commodities Rate Received	\$0.2450
= Minimum Required Adult Lunch Price	\$3.69

****Please note that these are examples only. To ensure a correct calculation, you MUST insert your district's price for a paid student for a meal.**

2) If a school is non-pricing (meaning it does not charge any students for breakfast or lunch) and receives the \$.07 for performance-based cash assistance, then the school would need to charge the following amount for adult breakfasts and lunches served:

Adult Breakfast Calculation

Federal Free Reimbursement Rate for a Student Breakfast	\$2.35
= Minimum Required Adult Breakfast Price	\$2.35

Adult Lunch Calculation

Federal Reimbursement Rate for a Free Lunch	\$3.68
Federal \$.07 Certification	\$0.07
Commodities Rate Received	\$0.2450
= Minimum Required Adult Lunch Price	\$4.00

Remember, the above are examples only intended to guide you through the process of determining if your adult prices are sufficient. Pricing schools must insert their own variables as directed. Also, keep in mind that any change in the adult price should be board-approved. It may be necessary for you to adjust adult pricing to comply with federal regulations for SY 2022-2023.

All questions should be sent to your designated Program Specialist or the School Support Help Desk at 601-576-5000.

21-28-CN

Enclosures

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