



Oregon

Tina Kotek, Governor



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Dr. Charlene Williams

Director of the Department of Education

October 17, 2024

TO: School Food Authorities (SFAs)

RE: SY 2023-24 Revenue from Nonprogram Food and Adult Meal Prices –
Action Required – Response Due: December 1, 2024

The U.S. Department of Agriculture (USDA) requires state agencies to ensure that revenues generated by an SFAs sale of nonprogram foods comply with the requirements set forth in [7 CFR 210.14\(f\)](#). “Nonprogram foods” are foods and beverages, other than those sold as part of a reimbursable meal, purchased with funds from an SFAs nonprofit school food service account.

SFAs are required to determine if the percent of total revenue generated from nonprogram food sales is equal to, or greater than, the percent of total food costs that are attributable to the SFAs purchase of nonprogram foods. SFAs must ensure that nonprogram foods are priced sufficiently to meet the nonprogram foods requirement or must secure non-federal funding to make up the shortfall in the nonprofit school food service account. Sponsors are required to retain records to document compliance with Revenue from Nonprogram Food requirements.

SFAs must notify the ODE CNP of Revenue from Nonprogram Foods status by completing this web based [Revenue from Nonprogram Foods Reporting Form](#). In addition to collecting this information, compliance with Revenue from Nonprogram Food requirements is reviewed during the Administrative Review.

A couple of tools are available to assist SFAs with determining Revenue from Nonprogram Foods and with assessing compliance requirements:

- The [USDA Nonprogram Food Revenue Tool](#) helps SFAs calculate the amount of revenue required to meet requirements. To use the tool, the SFA must collect the cost of both program and nonprogram food, and the total revenue from the previous school year. Based on these amounts, the tool will calculate the minimum amount of revenue from nonprogram foods that is required to meet this requirement. The tool will also calculate the additional revenue, if any, needed to comply.
- The [ODE Nonprogram Food Proportion Calculation Worksheet](#) assists sponsors in calculating the proportion of program and nonprogram revenue and food costs. To use the tool, the sponsor must collect either the cost of both program and nonprogram 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.

Per [FNS Memo SP 20-2016](#), Q&A #3, an exception from the Revenue from Nonprogram Foods requirement may be granted to SFAs that offer a “limited number of nonprogram foods with an identifiable per serving cost and are not able to accurately perform the assessment.” Adult meals do not have an identifiable per-serving cost and are not eligible for this exception.

Per [FNS Instruction 782-5, Rev.1](#), *Pricing of Adult Meals in the National School Lunch and School Breakfast Programs (June 6, 1988)*, sponsors that sell adult meals must price those meals so revenues are, “sufficient to cover the overall cost of the lunch.”

All SFAs are required to certify one of the following, using the [Revenue from Nonprogram Foods Reporting Form](#):

- Certification that Revenue from Nonprogram Foods is sufficient and is proportionally greater or equal than Nonprogram Food Costs; **OR**
- Certification that Revenue from Nonprogram Foods is insufficient and is proportionally less than Nonprogram Food Costs, and indicate the plan to ensure that nonprogram foods are priced sufficiently to meet the nonprogram foods requirement or secure nonfederal funding to make up any shortfalls in the nonprofit school food service account; **OR**
- Certify an exception from the nonprogram food revenue requirement due to offering “a limited number of nonprogram foods with an identifiable per serving cost and are not able to accurately perform the assessment”; **OR**
- Certify an exception from the nonprogram food revenue requirement due to not selling nonprogram foods.

Sponsors must complete the [Revenue from Nonprogram Foods Reporting Form](#) no later than **December 1, 2024**.

Please join the Oregon Department of Education, School Nutrition Program (ODE SNP) team for a short informational webinar pertaining to Revenue from Nonprogram Foods reporting requirements. The webinar requires pre-registration and will be held on Tuesday, October 29, 2024, at 2pm. There will be an opportunity for questions and answers when the presentation has concluded. The training will not be recorded.

Register [here](#) for the Webinar: Tuesday, October 29, 2024, at 2pm.

For additional information and resources, please visit the [Revenue from Nonprogram Foods](#) section of our ODE SNP Nutrition Programs Resource Management webpage.

If you have any questions regarding the Revenue from Nonprogram Foods requirement or the Certification Form, please contact your [Assigned School Nutrition Specialist](#).

Oregon Department of Education