



Mastering the Non-Program Revenue Tool: A Guide for School Nutrition Professionals

Why It Matters

The USDA requires that non-program revenue—revenue from sources outside the reimbursable meal program—covers its share of food and operating costs. The Non-Program Revenue Tool ensures compliance with federal regulations by verifying that revenue from a la carte sales, adult meals, and other non-reimbursable items adequately offsets their costs. Non-compliance can result in corrective action and financial risk.

What is Non-Program Revenue?

Non-program revenue includes any funds generated from food and beverage sales that do not qualify for federal reimbursement. Examples include:

- Second Meals
- Adult meals
- Snack Items like beverages, ice creams, chips, etc.
- Entree only
- Side of Fruit or Veg

Why Use the Non-Program Revenue Tool?

The Non-Program Revenue Tool helps school nutrition programs:

1. **Ensure Equity:** Verify that non-program revenue covers its proportional share of costs.
2. **Achieve Compliance:** Meet USDA's regulatory requirements under the Healthy, Hunger-Free Kids Act.
3. **Maintain Financial Health:** Avoid subsidizing non-program costs with reimbursable meal revenue.

Using the Non-Program Revenue Tool: A Quick Guide

1. **Gather Data:** Collect total food costs and revenue data for both program and non-program items using reports from your POS system such as production and a la carte sales reports (You only have to use 1 week's worth of data).
2. **Enter Data:** Input figures into the tool, including total revenue and costs for reimbursable and non-reimbursable items.

3. **Calculate the Ratio:** The tool will automatically generate a percentage that compares non-program revenue to total revenue.
4. **Evaluate Results:**
 - **If the ratio is \geq the required percentage:** You're compliant.
 - **If the ratio is $<$ the required percentage:** Adjust non-program prices or costs to meet requirements, meaning you need to raise them.

The Non-Program Revenue Tool is a vital resource for school nutrition programs. By using it effectively, you can ensure compliance, promote financial stability, and uphold the integrity of your program. Stay proactive in your non-program food pricing, monitor regularly, and adjust as needed to maintain a strong, compliant operation.