

It is essential for the Food Service Fund to make sure that they are following the USDA guidance for serving adult meals and setting the annual adult prices. The following is the USDA guidance for adult meal service and pricing. The Title 2, *Code of Federal Regulations* and Title 7, *Code of Federal Regulations (7 CFR)* governs the nonprofit school food service account (cafeteria fund). Program operators participating in the National School Lunch, School Breakfast, and Special Milk programs must establish a cafeteria fund (7 CFR, Section 210.9[b][1]). All federal, state, and local revenues, payments, and program reimbursement must be deposited into the cafeteria fund and are to be used solely for the operation and improvement of this service. In addition, School Nutrition Program (SNP) operators must comply with state and federal limitations on the use of cafeteria funds.

Federal limitations on the use of cafeteria funds

EO Guidance Document # FNS-GD-1988-0012

Breakfasts and lunches served to teachers, administrators, custodians and other adults must be priced so that the adult payment in combination with any per-lunch revenues from other sources designated specifically for the support of adult meals (such as State or local fringe benefit or payroll funds, or funding from voluntary agencies) is sufficient to cover the overall cost of the lunch. Including the value of any USDA entitlement and bonus donated foods used to prepare the meal. If cost data are not available, the minimum adult payment should reflect the price charged to students paying the school's designated full price, plus the current value of Federal cash and donated food assistance (entitlement and bonus) for full price meals. In non-pricing programs, the adult charge should be at least the amount of reimbursement received for a free lunch under Section 4 and 11 of the National School Lunch Act, plus the per-meal value of both entitlement and bonus donated foods, or for breakfasts, the rate established for free meals under Section 4 of the Child Nutrition Act, plus the value of bonus commodities.

Meals served to adults who are directly involved in the operation and administration of the school nutrition programs may, at the discretion of the school food authority, be furnished at no charge. As such, their cost may be fully attributed to and supported by the nonprofit food service operation.

It's recommended that Adult lunch prices exceed current reimbursement rates. The adult lunch price currently is \$3.85, and the reimbursement rate is \$4.33. We recommend that adult lunches be set at \$4.50 until the reimbursement rate goes back to normal next school year. Then we should be able to lower to adult rate back to normal. At least that is how it is looking at the moment.

Thank You,

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