# Attachment A, Memo #106-19

# May 3, 2019

## **Instructions for Pricing Adult Meals**

FNS Instruction 782-5 Rev. 1 specifies that School Food Authorities (SFAs) must, to the extent possible, ensure that federal reimbursement, children’s payments, and other nonprofit food service revenues do not subsidize program meals served to adults. In addition, while donated foods may be used in the preparation of adult meals, the current per-meal value of entitlement must be taken into consideration when establishing the prices charged to adults for meals. Adult meal prices must be high enough to compensate for the total paid reimbursement and the commodity value that USDA does not provide for these adult meals. The paid reimbursement and commodity rates change each school year, meaning adult meal prices may need to be adjusted upward accordingly. Please remember to use the 2019-2020 reimbursement rates when calculating meal prices for the 2019-2020 school year.

### **Pricing Programs**

For lunch, prices for adults must be the highest student paid price plus the SFA’s paid reimbursement, plus performance-based reimbursement, plus the per meal value of USDA Foods.

***Example:*** Student Meal Price ($2.50) + SFA’s Paid Reimbursement ($0.31) + Performance-Based Reimbursement ($0.06) + Per Meal Value of USDA Foods ($0.235) = Minimum Adult Lunch Price ($3.105 or $3.11)

For breakfast, prices for adults must be the highest student paid price plus the SFA’s paid reimbursement.

***Example*:** Student Meal Price ($1.90) + SFA’s Paid Reimbursement ($0.31) = Minimum Adult Breakfast Price ($2.21)

### **Non-Pricing Programs**

For lunch, prices for adults must be the free reimbursement rate, plus the performance-based reimbursement, plus the per meal value of USDA Foods.

***Example:*** Free Reimbursement Rate ($3.33) + Performance-Based Reimbursement ($0.06) + Per Meal Value of USDA Foods ($.235) = Minimum Adult Price ($3.625 or $3.63)

Adult breakfast prices must be greater than the student free reimbursement rate.

***Example:*** Free Reimbursement Rate – Severe Need ($2.14) or Non-Severe Need ($1.79) = Minimum Adult Price