



# Pricing Adult Meals Guide

In the School Nutrition Programs (SNP) and the Summer Food Service Program (SFSP), only meals served to children may be claimed for reimbursement. Reimbursement is NOT received for adult meals. This guide details the different types of adult meals, adult meal pricing requirements, and provides methods that can be used to assist in pricing adult meals.

Adult meals are broken into two categories:

1. **Program Adult:** Individuals who are paid staff and/or volunteers who are directly involved in the operation of the Child Nutrition Programs. This includes persons responsible for menu planning, preparation, clean-up and service of the meals.
  - **Gratis Food Service Meals:** At the discretion of the Sponsor, meals may be served at no charge to program adults. The expense of providing the meal is considered an allowable operating cost to the Food Service Fund. Meals served to program adults are recorded as Gratis Food Service Meals on daily and monthly documentation.
2. **Non-Program Adults:** Individuals who do not work in any direct way with the meal service at the site such as a parent or guardian, teachers, administrators, etc.

The Sponsor must charge a fee for the meal and/or reimburse the food service fund for the cost of the meal served. The cost of the meals served to non-program adults may be included as part of the sponsor's operating costs ONLY if the adult pays for at least the full cost of the meal and/or the Food Service Fund is reimbursed for the meal from other non-Federal fund sources. The price charged to non-program adults should cover the entire cost it takes to produce the meal. Meals served to non-program adults are recorded on daily and monthly documentation as one of the two categories below:

- **Gratis Other Adult Meals:** Meals provided free of charge to individual(s) by the Sponsor who are not directly involved in the operation of Child Nutrition Programs. A Sponsor who provides meals free of charge to non-program adults will transfer non-federal funds into the Food Service Fund at the rate of the paid adult meal price for each meal served.
- **Paid Adult Meals:** Meals provided to individual(s) who provide payment for their meal at the established adult meal price.

## Pricing Requirements:

School nutrition program (SNP) and Summer Food Service Program (SFSP) regulations require that adult meals be priced to cover the full cost of preparing the meal including the food supplies, labor, and other costs paid for by the sponsor.

In the National School Lunch and School Breakfast Programs, if cost data is not available, the sponsor must set the adult meal charge at least equal to the highest paid student price plus paid reimbursement, including the value of cash-in-lieu of commodities. In nonpricing programs, the adult charge should be at least the amount of reimbursement received for a free meal plus the value of cash-in-lieu of commodities.



In the Summer Food Service Program, if cost data is not available, the adult meal charge must be at least the amount of reimbursement received for a free meal plus the value of cash-in-lieu of commodities.

Reimbursement rates are posted at <https://cnw.ksde.gov>, Key Links, Reimbursement Rates. Reimbursement rates are typically released by USDA in mid-late July for the School Nutrition Programs and in February for the Summer Food Service Program. If you are unsure what rate you receive, look at the claims tab in KN-CLAIM or contact your Child Nutrition Consultant.

## Calculating Cost Data

Cost data can be calculated in a variety of ways. Regardless of the calculation method used, documentation must be kept on file to demonstrate the adult meal price covers the entire cost it takes to produce the meal. Below are a few examples of how to calculate cost data.

### Finding Cost Data – Example 1

Find the food cost per meal using the nonprogram foods tool, find labor and other cost per meal using the monthly financial report and then add the two numbers together to get a cost per meal.

#### Step 1: Finding Food Cost Per Meal

A large part of the costs associated with producing meals is food cost. To calculate food costs, pick a simple one-week menu and calculate the food cost per meal using invoices, recipes, serving sizes, etc. It is recommended to use menus from the oldest age-group you serve when calculating food cost. The first tab of the non-program foods tool can be used to assist with these calculations.

The non-program foods tool can be found on the KSDE CNW website, <https://cnw.ksde.gov>, School Nutrition Programs, Food Service Facts, Chapter 15: Reviews & Audits. School sponsors should be filling this tool out on an annual basis.

Once the food cost for each day of the week is found, find the average food cost of the meals for the week. To do this, simply add the cost of each meal per day divided by the number of days served in that week.

Below is an example of two days completed on the menu costing tab on the nonprogram foods tool for breakfast. Please note that entrées are entered into the tan lines and all side items are entered into the green lines. All parts of an entrée bundle need to be entered on one line as shown in the cereal and string cheese. The entrées food cost is averaged by the tool to get a better picture of the total cost per meal. At the end of the day, it gives a total cost per meal.

| MONDAY                                  |                        |                                 |                  | Tuesday                                 |                        |                                 |                  |
|-----------------------------------------|------------------------|---------------------------------|------------------|-----------------------------------------|------------------------|---------------------------------|------------------|
| Item & Portion Size                     | Cost per Purchase Unit | Number of Servings Per Purchase | Cost per Portion | Item & Portion Size                     | Cost per Purchase Unit | Number of Servings Per Purchase | Cost per Portion |
| Pancake (w/syrup)                       | \$21.80                | 96                              | \$0.23           | Breakfast Pizza                         | \$128.00               | 128                             | \$1.00           |
| Entrée Choice 2: Cereal & String Cheese | \$24.78                | 47                              | \$0.53           | Entrée Choice 2: Cereal & String Cheese | \$24.78                | 47                              | \$0.53           |
| Sausage Patty                           | \$23.18                | 107                             | \$0.22           | Canned Fruit                            | \$23.80                | 144                             | \$0.17           |
| Fresh Fruit (Apples)                    | \$39.45                | 125                             | \$0.32           |                                         |                        |                                 |                  |
| Juice                                   | \$0.25                 | 1                               | \$0.25           | Juice                                   | \$0.25                 | 1                               | \$0.25           |
|                                         |                        |                                 |                  |                                         |                        |                                 |                  |
|                                         |                        |                                 |                  |                                         |                        |                                 |                  |
|                                         |                        |                                 |                  |                                         |                        |                                 |                  |
|                                         |                        |                                 |                  |                                         |                        |                                 |                  |
| Milk                                    |                        |                                 | \$0.26           | Milk                                    |                        |                                 | \$0.26           |
| <b>Total Cost per Meal</b>              |                        |                                 | <b>\$1.41</b>    | <b>Total Cost per Meal</b>              |                        |                                 | <b>\$1.43</b>    |



The nonprogram foods tool only calculates food cost. One would then need to find the cost spent on non-food supplies, labor, and other costs that go into producing meals in order to determine the non-program adult meal price.

### Step 2: Finding Labor and Other Costs

One way to calculate labor and other costs is to calculate the average labor and other cost percentage from the monthly financial report. To do this, first find the average food cost percentage. This can be done by taking food & milk cost (line 20 on the monthly financial report) divided by total expenditures (line 30 on the monthly financial report).

|     |                    |           |
|-----|--------------------|-----------|
| 20. | 630 Food & Milk    | 35,640.94 |
| 30. | Total Expenditures | 68,282.14 |

In the example, that would be:

$$\$35,640.94 \div \$68,282.14 = 0.5219 \text{ or } 52.2\%$$

To calculate the labor and other cost percentage, take 100 minus the food cost percentage calculated or 1 minus the decimal calculated.

$$1 - 0.522 = 0.478 \text{ or } 47.8\%$$

Next, figure the approximate per meal cost of labor and other costs by multiplying the decimal by the average food cost calculated earlier. Let's say the average food cost for breakfast was \$1.45.

$$0.478 \times \$1.45 = \$0.6931$$

### Step 3: Add All Costs Together to get a Total Cost per Meal

Add the average food cost per meal (\$1.45) and the average labor and other costs per meal (\$0.6931) together to get a final total.

$$\$1.45 + \$0.6931 = \$2.14$$

This means the adult breakfast price must be at least \$2.14. The same process would be used to calculate the adult lunch meal price. Plug in the average lunch food cost from the nonprogram foods tool instead of the average breakfast cost in this final step.

## Finding Cost Data – Example 2

Use the monthly financial report to figure total expenses paid out of the food service fund for one month. Then use claim data to calculate meal equivalents served. To find the cost per meal, divide the total expenses by the total meal equivalents.

### Step 1: Figure the Total Expenses paid out of Food Service Fund for One Month

To find total expenses for one month, look at line 30 on the monthly financial report. Pick a month that is representative of normal operations.

|     |                    |            |
|-----|--------------------|------------|
| 30. | Total Expenditures | 179,059.57 |
|-----|--------------------|------------|

In the example above, the expenses for the month were \$179,059.57.



## Step 2: Calculate Meal Equivalents Factors from Reimbursement Received

Calculate the meal equivalents served for the same month that total expenses were found for previously.

**Meal Equivalent:** a tool to convert all meals and cash sales to a standard unit of production such as a student lunch.

To calculate meal equivalents, take the lunch reimbursement rate divided by the reimbursement rate received for breakfast, snack, OR the amount of money received for non-reimbursable sales and charges.

Lunch Reimbursement Rate Received  
Breakfast Reimbursement Rate Received

The reimbursement rate used must match the program and year, in which cost data is being calculated.

**SFSP Example:** A rural self-prep sponsor in program year 2025 received \$5.4175 per lunch served and \$3.1025 per breakfast served in federal reimbursement. To calculate the meal equivalent factor, complete the following calculation.

$$\$5.4175 \div \$3.1025 = 1.7462 \text{ Meal Equivalent Factor}$$

This shows that it takes approximately 1.75 breakfasts to equal 1 lunch.

The lunch meal equivalent factor will be 1.0. This is because lunch is the standard unit of measure all other meals will be converted to.

## Step 3: Calculate Meal Equivalents Served from Claim Data

Using the meal equivalent factor calculated in the previous step, convert the claim data into meal equivalents.

| Meals Served                    | Breakfast | AM Snack | Lunch  | PM Snack | Supper |
|---------------------------------|-----------|----------|--------|----------|--------|
| 2. Eligible Children (1st Meal) | 10,081    | 150      | 40,601 | 0        | 0      |
| 3. Eligible Children (2nd Meal) | 0         | 0        | 0      | 0        | 0      |
| 4. Ineligible Children          | 0         | 0        | 0      | 0        | 0      |
| 5. Adult Meals                  | 14        | 0        | 1,619  | 0        | 0      |
| 6. Allowable 2nd Meals          | 0         | 0        | 0      | 0        | 0      |
| 7. Total Meals                  | 10,081    | 150      | 40,601 | 0        | 0      |
| 8. Average Daily Participation  | 559       | 10       | 2,255  | 0        | 0      |

$$\text{Breakfast: } 10,081 \div 1.75 = 5,760.57 \text{ meal equivalents}$$

$$\text{Lunch: } 40,601 \div 1.0 = 40,601 \text{ meal equivalents}$$

A la carte sales, catering, and adult meal sales are considered non-reimbursable sales and charges. To convert these non-reimbursable sales/charges to meal equivalents, take the non-reimbursable sales and charges for the month (line 34 on the MFR) and divide by the lunch reimbursement rate.

|                                                          |           |
|----------------------------------------------------------|-----------|
| 34. Non-Reimbursable Sales & Charges (Students & Adults) | 16,088.05 |
|----------------------------------------------------------|-----------|

$$\$16,088.05 \div \$5.4175 = 2,969.64 \text{ meal equivalents}$$



Find the total meal equivalents by adding all meal equivalents together.

|                                     |                                   |
|-------------------------------------|-----------------------------------|
| Breakfast.....                      | 5,760.57 meal equivalents         |
| Lunch.....                          | 40,601.00 meal equivalents        |
| Non-Reimbursable Sales/Charges..... | 2,969.64 meal equivalents         |
| <b>TOTAL.....</b>                   | <b>49,331.21 meal equivalents</b> |

#### Step 4: Divide Total Expenses by Meal Equivalents to get Cost Per Meal

To find the cost per meal equivalent, take the total expenditures for the month (line 30 on MFR) divided by total meal equivalents.

$\$179,059.57 / 49,331.21 \text{ meal equivalents} =$   
**\$3.63 Cost per meal equivalent**

Find the breakfast price by taking the cost per meal equivalent divided by the meal equivalent factor.

$\$3.63 \text{ (cost per meal equivalent)} \div 1.75 \text{ (meal equivalent factor)} =$   
**\$2.07 per adult breakfast**

This means adult meals would need to be priced at:

- \$3.63 per adult lunch
- \$2.07 per adult breakfast

### Supplementing Low Priced Adult Meals

If the sponsor does not want to increase adult meal prices and cost data is not available, another option is to transfer non-federal funds to the federal food service fund to make up the difference for every paid adult meal served.

For example, if a site's current adult meal price is \$4.15, cost data is not available, and the sponsor does not want to increase adult meal prices, the sponsor could choose to transfer in the difference from the free reimbursement rate and the current price charged.

Note: Below example is using \$5.4175 as the free reimbursement rate from PY 2025 for SFSP for a rural, self-prep Sponsor.

$\$5.4175 - \$4.15 = \$1.2675$

\$1.2675 per adult lunch served would need to be transferred to the food service fund from non-federal funds at the end of each month or at least by June 30 (the end of the state fiscal year for SNP) or the end of SFSP operations.

There must be documentation to show how the amount to transfer was calculated and documentation to show the transfer was actually completed. This transfer would be recorded on the monthly financial report as a transfer for low-priced adult meals and gratis other adult meals or on the SFSP Ledger for non-school sponsors.

| 5000 Other                                                         |      |
|--------------------------------------------------------------------|------|
| 9. 5206 Transfer from General Fund                                 | 0.00 |
| 10. 5206 Transfer from Supplemental General                        | 0.00 |
| 11. 5253 Transfer from Contingency Reserve                         | 0.00 |
| * Total Non-Federal Funds Transferred for the following reason(s): |      |
| *                                                                  |      |
| Transfer for PLE                                                   | 0.00 |
| Transfer for Low-Priced Adult Meals and Gratis Other Adult Meals   | 0.00 |
| Transfer for Other                                                 | 0.00 |



For more information, contact:

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