

Food Cost Calculation Additional Instructions

- A. Select Reference Period
 1. Reference Period is at minimum five (5) consecutive operating days for a regular school week.
 2. The Contracting Entity will determine the reference period.
 3. Options include: one week, two weeks, designated month, school year, fiscal year

- B. Itemize food costs
 1. Foods used for reimbursable program meals, as applicable (breakfast, lunch, snack)
 2. Foods used for adult meals (breakfast and lunch)
 3. Foods sold as a la carte, as applicable (crossover foods from reimbursable meals, snacks, catering)

- C. Methods for food costing of adult meals
 1. Using Menu
 - a. Select the menu from the reference period.
 - b. Using invoices, calculate the unit cost for each menu item for the individual days in the reference period.
 - c. Add the cost of each day (from step b.) to arrive at a total cost of food during the reference period.
 - d. The total cost (from step c.) is divided by the number of days in the reference period. The result is an average cost of providing the meal.
 2. Using Invoices
 - a. Determine composition of the meal.
 - Breakfast i.e. hot entrée, cold cereal, toast, juice, milk
 - Lunch i.e. hot entrée, salad, hot vegetable, fruit, bread, dessert, milk, tea
 - b. Use cost from invoice, identify the top five (5) products in each of the categories (from step a.) with the highest price per unit.
 - c. In each of the identified categories, add the unit prices and divide by five (5). This will yield an average cost in each category.
 - d. Add the averages (from step c.) to arrive at the cost of providing the meal.

- D. A la carte foods
 1. Use invoices to determine the unit price per item.
 2. Categories
 - a. Crossover from reimbursable meals
 - b. Snacks
 - c. Catering

Information is to be used in completing the attached *Non-Program Food Price Calculator*.
If the revenue ratio is equal to or greater than the food cost ratio, the SFA is in compliance.