



**Child Nutrition Programs
NSLP Annual Financial Report (AFR) and
Non-Program Revenue
May 19, 2026**

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SARAH: Good afternoon and welcome to today's webinar where we will be covering the AFR and NP Revenue requirements for the NSLP. This webinar will be recorded and available on our website in the next couple of days. If you have any questions you can enter them in the Q & A box at any time. We also will be asking some questions of you throughout this presentation and your answers can be entered in the Q & A as well.

Agenda



Reminders



**Reporting Time
Frame**



Tools Needed



Overview



Q & A



Non - Program Revenue



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INTERACTIVE: please type in the Q&A your role in the process of completing the AFR.



Reminders

- The Annual Financial Report is in CNPWeb
- Program Period 2026.
- Navigate to the Forms Tab and the report will be listed.
- Click the + icon to the left of the AFR
- Once report is complete, enter the filer's name and number in box 26
- Check box 27 to "Certify" - Save
- Child Nutrition will review / approve / or send back with corrections
- **Report must be in "Pending Approval" by September 1, 2026**



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Reporting Time Frame

Reporting Income and Expenses for the following programs and time frames:

SNP Program Year 2026

July 1, 2025 – June 30, 2026

SFSP Program Year 2025

June, July and August 2025

CACFP Program Year 2025 and 2026

Program Year 2025: July, August, September
Program Year 2026: October 2025 – June 2026



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Each program in CNPWeb has a different Fiscal Program Year time frame. SNP follow the Maine Fiscal year – Program Year 2026 July 1, 2025 thru June 30, 2026. SFSP follows CNPWeb program year 2025 with June –August of 2025, the last completed year of the program. CACFP program years are in 2025 and 2026 complete the Maine Fiscal Year. It can be a little confusing, it's easier to refer to the dates listed.



Tools Needed

- CNPWeb 'Claim Filer' Access
- Detailed Revenue, Expense and Summary Report from the **Business Manager/Office**
- CNPWeb Report – ED293A (Reports – Accounting Reports – Reimbursement Earned (ED293A) – Printer Icon – Year 2026 – Generate Report
- CNPWeb Payments Tab
- Financial Reporting Worksheet (If used throughout the school year)
- CNPWeb Annual Financial Report Instructions located in the Help Tab



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All Child Nutrition funds should be reported separately in the Districts accounting software. DOE provides MEFS numbers for each of our revenue streams to help with this process. You should work with your business office on how your expenses are recorded in your system. When completing the Annual Financial Report, the responsibility is with the Foods Service department. The business office should be included but there must be a division of duties for program integrity. We encourage you to work together in this process. Reports must be reviewed and verified by the Foods Service Department.

The Claim filer has the access to complete the AFR.

Reports you will need: Ask your Business manager for a **detailed revenue and expense and summary report** for the reporting time frame of the program. This should list only revenue and expenses of the Child Nutrition program

The next report is a claim reimbursement report called ED293A located in CNPWeb. This report will help you with your federal and state reimbursement revenue

You should also refer to the payments tab for verification of your reimbursements.

I also want to bring to you attention the Financial reporting worksheet. **INTERACTIVE** if you could enter your district/school if you are currently using the worksheet.

Maintaining a financial worksheet throughout the school year will help complete the Annual Report in a timely manner. In addition, it will help establish and maintain financial accountability and integrity of the programs throughout the school year.

A monthly financial worksheet has been developed to assist you in completing the Annual Report. This worksheet can be found on the CN website [Financial Information | Department of Education \(maine.gov\)](#) if you haven't been using this worksheet through out the school year, I would encourage you too. When it comes time to complete the AFV, all the work will have been already done as the last tab of this worksheet combines each month so all you will need to do is enter the numbers.

The AFV Instructions are located in the help tab of cnpweb



Tools Needed – ED293A

Reports must be reviewed and verified by the food Service Department

- Headers and Codes

4551	4553	4556	3250	4555	4554	3258	3258	3250	3254	4559	3251	3250	MEFS Fund #
Regular Lunch Amount	Free/Red Lunch Amount	After School Program	State Match	Milk Program Amount	Breakfast Program Amount	State Breakfast Paid	State Breakfast Reduced	State Lunch Paid	State Lunch Reduced	FFVP Amount	Local Produce Amount	Meals Publicly Funded	Accounts

- Federal Lunch Account combines total \$1407.52 (\$262.65+\$1,144.87)

Regular Lunch Amount	Free/Red Lunch Amount
\$262.65	\$1,144.87
\$262.65	\$1,144.87

- Federal Breakfast Account with a total of \$320.79

Breakfast Program Amount
\$320.79
\$320.79

- State of Maine Reimbursement combined Lunch \$920.28 (\$914.28+\$6.00)

State Lunch Paid	State Lunch Reduced
\$914.28	\$6.00
\$914.28	\$6.00

- State of Maine Reimbursement combined Breakfast \$248.10 (\$247.50+\$0.60)

State Breakfast Paid	State Breakfast Reduced
\$247.50	\$0.60
\$247.50	\$0.60



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The first report we are going to look at is the ED293A. This a great tool to help you break down your reimbursement payments.

I have added the MEFS codes above for reference above each column. **Validate your claim reimbursement with your Detailed Revenue Report that you receive from your Business Office.** You can see here that for federal lunch you will combine Regular and Free/Reduced to get the sum total of \$1407.52. Federal Breakfast is just one column called Breakfast Program the amount here is \$320.79. Both of these federal amounts will be listed on line 5, Federal Reimbursement. The state of Maine breakfast and lunch reimbursements both have two columns (Free/Reduced) combine for a total sum amount. State funds show “State” in the header. The State Lunch & Breakfast amounts are listed on line 4 of the AFR, “ We will see that in the upcoming slides.

In addition to your meal reimbursement the ED293A also shows Snack, FFVP, Milk and Produce received for the year. You will add those amounts in the matching columns to the Federal Reimbursement line of the AFR. Produce will be listed in the “Other Income” line under Lunch of the AFR as that is money received from the state of maine not federal.



CNPWeb Payments Tab

- Lunch(MEFS 4551,4553) Breakfast(4554) Snack(3250) Milk(4555) FFVP(4559) All Federal Reimbursement Payments
- “Match” Maine Reimbursement for Lunch and Breakfast meals combined. Breakdown is found on the ED293A report
- “Produce” Maine Reimbursement for Local Foods (3176)

Sponsor Summary Schools (2)

Checklist	Applications	Forms	Activities	Claims	Payments	Users	York County		
Open Balance Transactions		Lunch	Breakfast	Snack	Milk	Match	FFVP	Produce	Total Payable
Total Open Transactions		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Batch Number	Date	Lunch	Breakfast	Snack	Milk	Match	FFVP	Produce	Total Payment
> 1279	1/8/2024	5,234.61	1,821.38	0.00	0.00	10,167.55	0.00	0.00	17,223.54
> 1274	12/11/2023	6,443.81	2,402.36	0.00	0.00	11,056.70	0.00	1,245.38	21,148.25
> 1268	11/10/2023	6,073.60	2,376.02	0.00	0.00	12,441.80	0.00	0.00	20,891.42
> 1262	10/12/2023	5,229.48	2,128.36	0.00	0.00	12,660.45	0.00	0.00	20,018.29
> 1253	9/12/2023	460.82	154.18	0.00	0.00	1,180.10	0.00	0.00	1,795.10
Total Payments		23,442.32	8,882.30	0.00	0.00	47,506.60	0.00	1,245.38	81,076.60



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One of the other tools you can use to verify your Financials is the Payments Tab in CNPWeb. A few things to make note of:

- The “arrow” icon on the left will show you the payment months of claim paid
The date is not the date that the payment was sent out, this is the date claims had been stopped for payment in the month. Payments are made between the 12th and the 15th of each month.
- The titles of Lunch / Breakfast / Snack / Milk / FFVP= are all federal payments for each program. The totals would all be entered on line 5 of the AFR.
- Match = State of Maine payments for “Meals at no charge” legislation. From the Payments Tab you cannot see both Breakfast and Lunch broken out. The ED293A is the best way to verify the amounts to complete your AFR from the last slide.
- Produce = Local Foods fund this would go under “Other Income” in the AFR.

Validate reimbursement with your Detailed Revenue Report that you receive from your Business Manager



Monthly Financial Worksheet

CHILD NUTRITON FINANCIAL REPORTING											Green-Enter Data	Yellow-Locked	Red-No Data
Income													
	TOTALS	School Lunch	After School Snacks	School Breakfast	Special Milk	Seamless Waiver Summer	FFVP	Summer Program	CACFP	A la Carte			
Sales to Children	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -	\$ -			
Sales to Adults	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -	\$ -			
Loans/Interest	\$ -												
State Revenue Match	\$ 51,293.36	\$ 39,782.08		\$ 11,511.28									
Federal Reimbursement	\$ 52,990.45	\$ 40,037.03	\$ -	\$ 12,953.42	\$ -		\$ -	\$ -	\$ -	\$ -			
Other Income	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Rebates	\$ -	\$ -	\$ -	\$ -	\$ -							\$ -	
TOTAL INCOME	\$ 104,283.81	\$ 79,819.11	\$ -	\$ 24,464.70	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Expenses													
	TOTALS	School Lunch	After School Snacks	School Breakfast	Special Milk	Seamless Waiver Summer	FFVP	Summer Program	CACFP	A la Carte			
Food Expense	\$ 1,500.00	\$ 1,000.00	\$ -	\$ 500.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
Labor Direct	\$ 700.00	\$ 500.00	\$ -	\$ 200.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
Equipment \$300 or less	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
Equipment More than \$300	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			

- “Yearly”, Last Page of worksheet
- Enter the totals on the AFR
- As monthly tabs would have already been verified.



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If you’re completing the monthly financial worksheet, the last tab is the sum of all months. You can use this ‘yearly’ tab to complete the AFR. It makes it nice and easy!



Income Section

- CNPWeb Forms Tab, AFR listed
- Income Section 1-8
- Year end dollar amounts are listed once **verified** by the reports from the Business Office.

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)
	Totals	School Lunch	After-school Snack Service	School Breakfast	Special Milk Program	SSO	Fresh Fruit & Vegetable Pgm FFVP	Summer Food Service Pgm SFSP	Child & Adult Care Food Pgm CACFP	A la Carte / Catering
(1) Sales to Children	0.00	0.00	0.00	0.00	0.00				0.00	0.00
(2) Sales to Adults	0.00	0.00		0.00				0.00	0.00	0.00
(3) Loans/Interest	0.00									
(4) State Revenue Match & Reimbursement	0.00	0.00		0.00						
(5) Federal Reimbursement	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(6) Other Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(7) Rebates	0.00	0.00	0.00	0.00	0.00	0.00				0.00
(8) Income Totals	Total (A)	Total (B)	Total (C)	Total (D)	Total (E)	Total (F)	Total (G)	Total (H)	Total (I)	Total (J)
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00



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From this point on we will be reviewing how to fill out the AFR in CNPWeb. I will be following the income section of the AFR. The AFR Help document is provided for you in the Help Tab of CNPWeb. First, we will talk about each of the column Income headers A - J.

Next we will go over each of the line items 1-8 listed



Expense Section

- CNPWeb Forms Tab, AFR listed
- Expense Section 9-15
- Year end dollar amounts are listed once **verified** by the reports from the Business Office.

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)
	Totals	School Lunch	After-school Snack Service	School Breakfast	Special Milk Program	SSO	Fresh Fruit & Vegetable Pgm FFVP	Summer Food Service Pgm SFSP	Child & Adult Care Food Pgm CACFP	A la Carte / Catering
(9) Food Expense										
\$	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(10) Labor Direct Preparation										
\$	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(11) Smallware Equipment / Purchases										
\$	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(12) Equipment - More than \$300										
\$	0.00									
(13) Other										
\$	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(14) Indirect Costs										
\$	0.00									
(15) Expense Total		Total (B)	Total (C)	Total (D)	Total (E)	Total (F)	Total (G)	Total (H)	Total (I)	Total (J)
\$	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00



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The Expense section of the AFR. I will be following the Expense section of the AFR Instructions. We will Look at line 9-15 descriptions. We have already gone over columns A-J in the Revenue section.

On Page 6 of the AFR Instructions – describe a couple ways to calculate your expenses. This discussion could be its own Webinar. To accommodate questions you may have, I will be holding Open Office hours in June. Please watch the Thursday update for dates and times. You may also schedule a one-on-one meeting with me as well if you prefer.



Net Income/Loss Section and Certification

Net Income / Loss									
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)
Totals	School Lunch	After-school Snack Service	School Breakfast	Special Milk Program	SSO	Fresh Fruit & Vegetable Pgm FFVP	Summer Food Service Pgm SFSP	Child & Adult Care Food Pgm CACFP	A la Carte / Catering
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Certification

(25) Select the last month for which a claim was submitted for the Program Year:

(26) Prepared by: Phone Number: Ext:

(27) I certify to the best of my knowledge and belief that the information provided herein is true, complete, and accurate. I am not aware of any provision of false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil, or administrative consequences including, but not limited to violations of U.S. Code Title 18, Sections 2, 1001, 1343 and 1344, and 18 U.S.C. 3729-3730 and 3801-3812; 200-415(b)

Certification:

- Submission: June – September 1, 2026
- #25 Month of last claim submission
- #26 Who prepared the report
- #27 Must check box and submit



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Account Balance

Account Balance	
(16) Beginning Balance	(20) Accounts Payable
<input type="text" value="0.00"/>	<input type="text" value="0.00"/>
(17) Income Total	(21) Accounts Receivable
<input type="text" value="0.00"/>	<input type="text" value="0.00"/>
(18) Expense Total	(22) Balance of Accounts
<input type="text" value="0.00"/>	<input type="text" value="0.00"/>
(19) Ending Balance	
<input type="text" value="0.00"/>	

- #16 Beginning balance as of July 1, 2025
- #17 Total from A8 Income Total
- #18 Total from A15 Expense Total
- #19 Ending Balance $\#16 + \#17 - \#18 = \text{Total}$
- #20 Any bills that have not been paid from FY2026
- #21 Any revenue that has not been posted FY2026
- #22 Balance of Accounts: $\#20 - \#21 = \text{Total}$

The balance to high reports are generated from the results of box 19.





Average Meal Cost

Average Meal Cost Calculations				
(A)	(B)	(C)	(D)	
School Lunch	Afterschool Snack Service	School Breakfast	Supper	
(23) Average Without Indirect Cost				
0.00	0.00	0.00	0.00	
(24) Average With Indirect Cost				
0.00	0.00	0.00	0.00	

Average Meal Cost Calculation = Total NSLP Expenses / Total NSLP Meals Served

- Total NSLP Expenses include all allowable costs tied to the lunch program (expenses section #9 – 11, 13-14)
- Total NSLP Meals Served is the count of reimbursable meals by program (Lunch, Breakfast, Snack, Supper)

IMPORTANT INFORMATION TO REMEMBER

- Expenses must be correctly allocated specifically to each program. If not allocated correctly the calculated average cost per meal will be misleading and could trigger errors or audit issues.



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\$ Non-program Foods Revenue Requirements

Non-program Food Revenue Rule 7 CFR Part 210.14(f)

USDA Policy Memo SP 20-2016

All food sold and purchased with funds from the nonprofit school nutrition account must generate revenue at least equal to the full cost of such foods.

- Foods purchased and sold as reimbursable student meals are excluded



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Now that the AFR is complete, you can use the information to assess compliance with the Non-program Revenue Rule.

This rule says (Read slide)

“This requirement comes from the Healthy, Hunger-Free Kids Act of 2010 and is found in federal regulation 7 CFR 210.14(f). USDA further clarified the requirement in Policy Memo SP 20-2016.

The key concept of this requirement is financial integrity, to ensure that federal reimbursement intended for reimbursable school meals is not being used to subsidize nonprogram food sales.

To summarize – School Food Authorities or SFAs cannot incur costs greater than the revenue generated from non-program foods so that revenue generated from reimbursable meals does not subsidize the sale of np foods

\$ **Non-program Foods Revenue**

What Are Non-program Foods?

Foods and beverages:

- sold at a NSLP school,
- purchased using SN funds,
- not sold as reimbursable meals.

Include:

- Adult meals
- Student second meals
- Catering
- Meals sold to other schools
- A la carte sales
- Snack milk/cold lunch milk
- Vending machines
- Pk meals in partnership sites



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So what do we mean by non-program foods? These are foods and beverages sold outside of a reimbursable meal that were purchased with funds from the SN program.

Examples include: (read slide)

(interactive) I'd like you all to put in the Q & A box – which NP foods your school nutrition program currently sells

\$ Non-program Foods Revenue

What is NOT a Non-program Food?

- Reimbursable student meals
- Foods purchased with funds outside of the SN account



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And so what is NOT a NP food? Reimbursable breakfasts and lunches are not considered nonprogram foods.

Also, foods purchased entirely outside the school food service account are not included in this requirement.

The important question is:

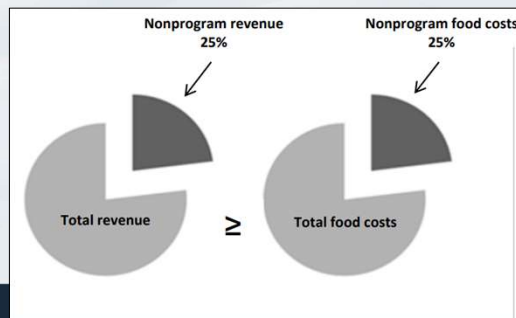
‘Was the item purchased using funds from the school nutrition account?’

If the answer is yes, and it’s not part of a reimbursable meal, then it is considered to be a nonprogram food.

\$ Non-program Foods Revenue

The Formula: Non-program Foods Revenue Ratio

$$\frac{\text{Nonprogram food revenue}}{\text{Total program and nonprogram revenue}} \geq \frac{\text{Total nonprogram food costs}}{\text{Total program and nonprogram food costs}}$$



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Here is the formula for calculating the NP foods revenue ratio. It compares the revenue generated from the sale of nonprogram foods to the costs of providing the nonprogram foods. USDA simplified this requirement by focusing only on food costs rather than also the cost of labor or supplies.

Here is the formula we use:

$$\geq \frac{\text{Nonprogram Food Revenue}}{\text{Total Revenue (NP and reimbursement)}} \geq \frac{\text{Nonprogram Food Costs}}{\text{Total Food (nonprogram and reimbursable meal) Costs}}$$

Let's simplify what this means. (click)

If the costs of nonprogram foods account for 25% of the SNPs total food costs, then they should generate at least 25% of the SNPs total revenue.

If revenue is lower than costs, then it means that federal funds from the SNP may be subsidizing nonprogram foods

In simple terms: Nonprogram foods must pull their own financial weight.

\$ Non-program Foods Revenue

Calculating Non-program Foods Revenue Ratio from the AFR

$$\frac{\text{Nonprogram food revenue}}{\text{Total program and nonprogram revenue}} \geq \frac{\text{Total nonprogram food costs}}{\text{Total program and nonprogram food costs}}$$

$$\frac{\text{J8 (A la Carte/Catering Total Income)}}{\text{A8 (Income Total)}} \geq \frac{\text{J9 (A la Carte/Catering Food Expense)}}{\text{A9 (Total Food Expense)}}$$



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You can use the AFR from CNPweb to calculate the NP foods revenue ratio for your SNP. To do so, you will find the NP food revenue total reported in box J8 (a la carte/catering total income) and divide by the SNPs total revenue which is reported on line A8.

Next, you will find the total NP food costs reported on box J9 (a la carte/catering Food expense) and divide this by the total food costs reported in box A9.

If the revenue ratio is equal to or greater than the cost ratio, the requirement is met. If it is not, adjustments must be made.

Income Section									
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)
Totals	School Lunch	Afterschool Snack Service	School Breakfast	Special Milk Program	SSO	Fresh Fruit & Vegetable Pgm FFVP	Summer Food Service Pgm SFSP	Child & Adult Care Food Pgm CACFP	A la Carte / Catering
(1) Sales to Children	6,551.54	6,551.54	0.00	0.00	0.00			0.00	0.00
(2) Sales to Adults	88,969.05	0.00					0.00	0.00	88,969.05
(3) Loans/Interest	0.00								
(4) State Revenue Match & Reimbursement	13,857.79	13,857.79							
(5) Federal Reimbursement	1,782,231.41	1,247,561.99			0.00	0.00	0.00	0.00	
(6) Other Income	6,177.88	6,177.88	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(7) Rebates	2,328.85	2,328.85	0.00	0.00	0.00	0.00			0.00
(8) Income Totals	1,900,116.52	1,276,478.05	0.00	534,669.42	0.00	0.00	0.00	0.00	88,969.05

$$\frac{\$88,969.05}{\$1,900,116.52} = 4.68\%$$

Here is an example using the AFR- first take the total NP food revenue from the a la carte/catering total income reported in box J8 (\$88,969,05) and divide by the total revenue reported on line A8 (\$1,900,116.52). And that gives a revenue ration of 4.68%

Expenses Section										
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)
	Totals	School Lunch	Afterschool Snack Service	School Breakfast	Special Milk Program	SSO	Fresh Fruit & Vegetable Pgm FFVP	Summer Food Service Pgm SFSP	Child & Adult Care Food Pgm CACFP	A la Carte / Catering
(9) Food Expense										
\$	797,801.31	496,224.63	0.00	213,524.83	0.00	0.00	58,128.71	0.00	0.00	27,923.14
%		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(10) Labor Direct Preparation										
\$	1,092,996.05	752,464.47	0.00	0.00	0.00	0.00	18,046.81	0.00	0.00	0.00
%		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(11) Smallware Equipment / Purchases										
\$	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
%		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(12) Equipment - More than \$300										
\$	153,034.42									
(13) Other										
\$	112,133.96	110,116.16	0.00	0.00	0.00	0.00	2,017.80	0.00	0.00	0.00
%		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(14) Indirect Costs										
\$	0.00									
(15) Expense Total										
\$	2,155,965.74	1,360,805.26	0.00	536,009.60	0.00	0.00	78,193.32	0.00	0.00	27,923.14

\$27,923.14
\$797,801.31

3.5%



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Next, take the total NP food costs from the a la carte/catering Food expenses reported on box J9 (\$27,923.14) and divide this by the total food costs reported in box A9 (\$797,801.31). This is a food expense ratio of 3.5%. The revenue ratio (4.68%) is greater than the food cost ratio of 3.5% so this program is compliant.

\$ Non-program Foods Revenue

What if the ratio is not compliant?

- Adult meals priced below meal cost
- Allowing adults to charge meals
- Catering revenue not covering all costs (food, labor, other costs)
- Assess prices charged for NP foods on a regular basis!
 - Rise in food costs?
 - labor = rate of pay + benefits



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So what if the ratio is not compliant? Some things to look at include what are you charging for adult meals and student second meals? If they are priced below the cost to produce a meal that is an issue. Also, adults should not be allowed to charge meals. That is using program funds to subsidize a nonprogram sale and is not allowed. Another area to look at is catering. You must make sure that the revenue generated from any catering function is covering all costs - food, labor and other costs. Yes, even labor! If you or your staff are working on catering during their regular hours, those hours must be factored in to what is charged for the function. It is important that you take a look at what you charge for the sale of all NP foods regularly – has there been a rise in food costs? An increase in pay? Does the labor you use to calculate this include not just the rate of pay but benefits as well?

Sometimes schools simply have not revisited pricing in several years, and this is contributing to the NP food revenue not being compliant.

(interactive) put in the Q & A, when was the last time you assessed the cost of adult meals?

\$ Non-program Foods Revenue

Summary

- Nonprogram foods must not be subsidized by reimbursable meal funds.
- All nonprogram revenue must accrue to the nonprofit school food service account.
- The percentage of revenue from nonprogram foods must be equal to or greater than the percentage of food costs attributable to those foods.



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To summarize what we talked about:

Resources

- Maine DOE Website – Financial Information
 - Financial Resources and Guidance
 - Nonprogram Food Revenue Requirements
 - Financial Reporting
 - Annual Financial Reporting

The screenshot shows the 'Financial Information' page on the Maine Department of Education website. The page features a navigation menu on the left with options like 'Child Nutrition Home', 'Programs', 'CNPWebHEO', 'Student Eligibility & Applications', 'Financial', 'Legal References', 'Webinars and Training', and 'Contact Us'. The main content area is titled 'Financial Information' and includes a banner image of hands typing on a keyboard. Below the banner, there is a section for 'Financial Resources and Guidance' with a list of links: 'Catalog of Federal Domestic Assistance (CFDA) (FAIR) Numbers', 'Federal Meal Reimbursement Rates and Eligibility Guidelines', 'Student and Adult Pricing and Charging', and 'Summer Food Service Program Reimbursement Rates'. There is also a 'Financial Reporting' section with links for 'Financial Resources - Month-to-Month', 'Financial Reporting Webinar', 'Annual Financial Reporting', 'Annual Financial Report Webinar', and 'Annual Financial Report Presentation (pdf)'. The page footer includes the Maine Department of Education logo and the URL 'www.maine.gov/doe'.



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Summary

- Revenue and Expenses
- Average Meal Cost
- Balance to high
- Non-Program Foods
- Financial Integrity
- Important tool for program decision making

- The AFR is an important tool to help you make decisions for the next school year and communicate the financial integrity of the Child Nutrition Program. It is essential that information reported is accurate and that you review each section.
- It is important that Child Nutrition member and the Business office work together to complete the AFR for accuracy.



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In summary, we discussed important topics in relation to the financial management and integrity of the child nutrition program. We looked at; non-program food revenue, average meal cost, the revenue and expense account balances and balance to high. As you can see, the AFR is used for many different purposes and serves as an important tool for communicating the financial integrity of your program. It is essential that the information reported is accurate and that you review each section before submission. The AFR is a tool to help you make decision for next year (staff, menu, selling point for all non program foods, to name a few)



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Thank You!



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