

ESTABLISHING PRICES FOR ADULT MEALS/A LA CARTE

Neither the USDA nor the Michigan Department of Education set specific prices for school lunch, breakfast, special milk or a la carte. The local school district is responsible for setting prices and increasing prices as needed. There are some guidelines to follow:

- a. Reimbursable meals must be priced as a unit.
- b. USDA sets the maximum price that can be charged for a reduced price lunch or breakfast - schools may charge less.
- c. Paid meals receive a small reimbursement and the meal charges should be based on the cost of producing the meal minus the paid reimbursement.
- d. Schools may use a tiered pricing structure (example: combo meals, super meals, etc.), but the more the expensive meals must be offered to free and reduced price students for no additional charge.
- e. Student meals cannot carry a sales tax, but adult meals must include sales tax.
- f. Adult meals must be priced higher than student meals to include the sales tax, the value of commodity products and offset the student reimbursement.
- g. A la carte items and adult meals must be priced to cover the cost of producing those items.
- h. A la carte items cannot be subsidized by federal funds; they should be used to generate revenue to offset the cost of the reimbursable meal programs.
- i. Nonprofit status
 1. No more than three (3) months operating expense
 2. Income only used for food service program purposes

Any additional questions, please call the Michigan Department of Education, Grants Coordination and School Support, School Nutrition Training and Programs Unit, 517-373-3347 OR 517-373-2077.

SETTING THE PRICE FOR ADULT MEALS

Adult meals cannot be subsidized by federal funds. That is why teachers and other staff members must be charged a higher price than students even if the meal is exactly the same. Schools have the option of charging all a la carte prices or setting an adult unit price for the whole meal. Schools also have the option of using the per meal cost listed on the Year End Report and adding tax to arrive at a fair price for adults meals. To base adult meal prices on the student meal price, you can use the following formula:

DIRECTIONS	SAMPLE	YOUR SCHOOL
Price of Student Lunch	\$1.75	\$
Value of Commodity Foods (FY2008-09)	.2075	.2075
Value of Student Reimbursement (FY2008-09)	.24	.24
Subtotal	\$2.20	
Sales Tax (6%)	.13	
TOTAL	\$2.33	

The sample shows that the school should be charged *at least* \$2.33. The Michigan Department of Education does not cap prices for adults or for a la carte items. Prices must be set to cover all of the cost of producing and serving the meal.

How do your adult meal prices measure up?