

USDA Financial Tools

Office of Nutrition Programs and
Services

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Workshop Objectives

- Paid Lunch Equity
- Non-Program Food Revenue
- Procurement
- Food Service Management Company—
Managing your Contract

Paid Lunch Equity History

WHAT IS THE PAID LUNCH EQUITY FOR?

- To create equity between what is charged to a Paid student and what is reimbursed by the federal government for a Free student.

Paid Lunch Equity Process

WHEN SHOULD THE PLE BE COMPLETED?

- Use USDA Tool provided
- Complete as soon as October claim figures are available
- Act upon the results

PLE

Weighted Average Price

WHAT IS THE SIGNIFICANCE OF THE WEIGHTED AVERAGE PRICE?

SY 2016-2017 Weighted Average Price Calculator				
Enter current prices and number of lunches sold at each price using October 2016 data.				
	Monthly # of Paid Lunches	Paid Lunch Price	Monthly Revenue	SY 2016-17 Weighted Average Price
1.	3,556	\$ 2.25	\$ 8,001.00	
2.	3,688	\$ 2.75	\$ 10,142.00	
3.	3,302	\$ 3.25	\$ 10,731.50	
4.			\$ -	
5.			\$ -	
6.			\$ -	
7.			\$ -	
8.			\$ -	
9.			\$ -	
10			\$ -	
L	10,546		\$ 28,874.50	\$ 2.74 is the SY2016-17 Weighted Average

PLE

Unrounded Requirement Finder

WHAT IS THE UNROUNDED REQUIREMENT?

- Last year's unrounded weighted average price goes here.

Step 1	
Enter the SY 2016-17 Unrounded Price Requirement in the box below	SY 2017-18 Weighted Average Price Requirement
<i>This is can be found in Section 1: Box A of the SY 2016-2017 REPORT from the SY 2016-17 tool or you may find it below (Price 2)</i>	Requirement price to the nearest cent
\$ 2.78	\$ 2.86
<i>Note: Above prices are based on adjusting SY 2016-2017 price requirement by the 2% rate increase plus the Consumer Price Index (2.64%)</i>	

Paid Lunch Equity Non-Federal Calculator Tab

WHAT IF WE DON'T WANT TO RAISE PRICES?

- Enter the current weighted average price

Current Weighted Average Paid Price	
Enter in the current weighted average paid lunch price. <i>Note: If SFA did not change the weighted average paid lunch price in SY2011-2012, SY2012-2013, SY2013-14, SY 2014-15, SY 2015-16, or SY 2016-17 enter the SY2010-11 weighted average price. Otherwise, click the link below.</i>	
	Click here to determine SY2016-2017 weighted average price

Paid Lunch Equity Non-Federal Calculator Tab

WE'VE GONE FROM A "MONTH" TOTAL TO A "YEAR" TOTAL. WHY?

- Enter the total amount of Paid Lunches for the entire school year.

Non-Federal Source Contribution Calculator for SY 2017-18		
<p>Enter the total paid lunch count (for all prices). <i>** Annual Non-Federal Source funds for SY2017-2018 are estimated based on the ACTUAL lunch count entered below</i></p>		
Enter annual # of Paid Lunches for SY2015-16**	TOTAL Price Increase for SY 2017-18	TOTAL SY 2017-18 Annual Non-Federal Source Contribution
	\$ -	\$ -
<p><i>Note: Total price increase for SY 2017-2018 is based on the difference between the weighted average price entered above and SY 2017-2018 rounded DOWN requirement.</i></p>		

Paid Lunch Equity Non-Federal Calculator Tab

IS THIS WHERE I REPORT “COVERING THE RED?”

Enter the combined amount that has been contributed in the past school years FOR THIS RE

Enter total amount of Non-Federal Source Funds Contributed for SY 2011-12 through SY 2016-17	Annual Non-Federal Source Contribution Requirement for SY 2017-18
\$ -	\$ -

Additional FAQs

PLE

- How long will we be required to do the PLE?
- What are my options if I don't want to increase my paid lunch price?
- When can/should we begin the PLE process?
- What is the “current weighted average price?”

PLE Challenges

- Using the incorrect weighted average price at the beginning of the year's process
- Using non-federal contributions = never getting caught up
- Using only the Paid Lunch information

Non-Program Food Revenue

WHAT IS THE PURPOSE OF THIS FORM?

Nonprogram Revenue Calculator		
Enter the cost for reimbursable meal, cost of nonprogram food and total revenue		
Cost for Reimbursable Meal Food	\$ -	
Cost of Nonprogram Food	\$ -	
Total Food Costs	\$ -	
Total Nonprogram Food Revenue	\$ -	
Total Revenue	\$ -	
Minimum portion of revenue from nonprogram funds		0%
Minimum Revenue Required from the Sale of Nonprogram Foods	\$ -	
Additional Revenue Needed to Comply	\$ -	

Non-Program Food Revenue

WHAT IS MY FIRST STEP?

EXPENSES

- All Food Costs *less*
- All costs for Food that is NOT part of a Reimbursable Meal *equals*
- All costs for Food that IS part of a Reimbursable Meal

REVENUES

- All Revenue to Food Service Account
- All Revenue received for sales of non-Reimbursable Meal sources

Additional FAQs

Non-Program Foods

- What is NPF?
- I only offer milk. Does that count?
- Do I have to figure the NPF for the entire year?

NPFR Challenges

- Tool results are not supported with reports used.
- All milk is reported as a la carte, rather than posting some cost to the meals program.
- Expected Revenue from NPF does not meet the percentage spent on NPF

Questions
on
Paid Lunch Equity
or
Non-Program Food Revenue?

Procurement Code of Conduct

WHAT IS, AND WHY DO I NEED, A CODE OF CONDUCT?

- Provisions required:
 - Prohibits Conflicts of Interest—Real or Apparent
 - Selection
 - Award
 - Administration
 - Acceptance of Gratuities, Favors or Anything of Monetary Value
 - Disciplinary Actions for Violations of above

PROCUREMENT

Written Procurement Procedures

How extensive does the Written Procurement Procedures have to be?

- Micro-Purchase
- Informal
- Formal
- Emergency

Procurement Process

***THIS SEEMS TO BE AN AWFUL LOT WORK.
DOES IT REALLY HAVE TO BE DONE?***

1. Forecast Need
2. Write Specification
3. Advertise
4. Award the Contract
5. Manage the Contract

Buy American

***I CAN'T CONTROL WHAT IS DELIVERED BY MY VENDOR.
HOW CAN I BE EXPECTED TO REVIEW LABELS TO THIS
EXTENT?***

DOMESTIC COMMODITY OR PRODUCT

- Agricultural commodity produced in US
- Food product process in US substantially using agricultural commodities produced in US.

SP 38-2017 6/30/17

Buy American Exceptions

WHAT IS MEANT BY “EXCEPTIONS?”

- Product is not produced or manufactured in the US in sufficient and reasonably available quantities of a satisfactory quality
- Competitive bids reveal the costs of a US product are significantly higher than the non-domestic product

Buy American

Before considering Exceptions...

- Are there other domestic sources for this product?
- Is there a domestic product that could be easily substituted, if the non-domestic product is less expensive?
- Is the product being solicited at the best time of year?
- Is USDA Agricultural Marketing Services (AMS) being used to determine the cost and availability of domestic and non-domestic foods?

Additional FAQ

Buy American

- If my product, or my company's product, does not have a country of origin of USA, what kind of documentation do I need to have on hand to be compliant?

Buy American Challenges

- RFP/Contract with food supplier does not include provision regarding Buy American
- Documentation is not on file to support non-domestic product in inventory
- SAU is not monitoring FSMC contract for compliance to Buy American

Questions
on
Procurement
or
Buy American?

Food Service Management Companies (FSMC)

At what point are the contract documents reviewed by the State Agency?

Contracts

- 1-Year
- Up to 4 1-Year Renewal Options

All Renewal Options, if taken, must be reviewed and approved by the State Agency **BEFORE** the current contract document expires.

FSMC

Responsibilities

What can they do?

- Create Menu
- Prepare and Serve Meals
- Maintain POS
- Train employees
- Maintain Training Logs
- Enter Claims
- Sit on Wellness Committee
- Sit on Advisory Committee

What can't they do?

- Process Income Applications without individual at SAU acting as Confirmation Official on each application
- Maintain Advisory Committee
- Submit Claims
- Enter/Submit Application to Participate
- Conduct On-Site Monitoring

Additional FAQs on FSMC Responsibilities

- Why do I have to have anything to do with the nutrition program when I am paying someone to run it for me?

Additional FAQs on Monitoring Contracts

- How do I manage my contracts, both FSMC and non-FSMC?
- How do I monitor my FSMC contract?
- I eat lunch every day in the cafeteria. Isn't that enough?

Additional FAQs on FSMC and Procurement

- Do I have to monitor my FSMC's procurement process?
- Can my FSMC's procurement process and Code of Conduct be MY procurement process and Code of Conduct?

FSMC Challenges

- Contract is not in place at the start of school.
- Renewal is not reviewed and approved by the State Agency before the current contract document expires.
- RFP process mishandled.
- Evaluation of submitted proposals does not support contract award decision.

Questions
on
Food Service Management
Companies?

Resources

PLE & Non-Program Foods

- Paid Lunch Equity—SP 17-2017

<https://fns-prod.azureedge.net/sites/default/files/cn/SP17-2017os.pdf>

- Non-Program Food Revenue—SP 39-2011

<https://fns-prod.azureedge.net/sites/default/files/SP39-2011osr.pdf>

Resources

Procurement & FSMC

- 2 CFR 200 Super Circular

<https://www.gpo.gov/fdsys/pkg/CFR-2014-title2-vol1/pdf/CFR-2014-title2-vol1-part200.pdf>

- Contracting with FSMC--Guidance for SFA

<https://fns-prod.azureedge.net/sites/default/files/cn/FSMCguidance-sfa.pdf>

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