

Handout

Meal Cost Calculation:

$$\frac{\text{Total expenditures (costs)}}{\text{Number of meals/meal equivalents}}$$

What Should Be Included?

Food cost = cost of purchased food, USDA foods value

Labor cost = salary/wages, benefits

Supply cost = general operating supplies, production supplies, expendable equipment

Other cost = capital assets, repairs, maintenance, travel, printing, indirect charges

Please Note: This list may not necessarily reflect all costs associated with every school nutrition operation, customization of the calculation is encouraged

It is recognized that the cost of producing a school meal differs from one community to the next due to regional variations in food, labor and fuel costs and local variations in school equipment and infrastructure, contract agreements, etc.

Example:

Kiwi High School expenditures have been fluctuating and the manager needs to investigate the problem. She has discovered that Monday's costs seem to be higher than the rest of the week. She has an average daily meal cost of \$2.53.

Her daily benchmarks are the following:

Meal count:	405
Food cost (USDA foods included)	\$ 1.10
Salary/wage cost (subs included)	\$ 0.85
Benefits cost	\$ 0.30
General/paper supplies	\$ 0.08
Overhead cost (avg daily)	<u>\$ 0.20</u>
	\$ 2.53



Kiwi High School
Daily analysis of meal cost

<u>Monday counts/sales:</u>		<u>Meal count</u>
Lunch	250	250
Breakfast	125	
Student a la carte sales	\$ 135.00	
Adult sales	\$ 45.00	
Total meal count =		

<u>Monday daily expenditures:</u>		<u>Per meal cost</u>
Food cost (USDA foods included)	\$ 425.00	
Salary/wage cost (subs included)	\$ 325.00	
Benefits cost	\$ 113.75	
General/paper supplies	\$ 75.00	
Overhead cost (avg. daily)	\$ 85.00	
Total expenditures/costs =		

Meal cost:	\$ 	=	\$
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How does the meal cost compare:

Monday	\$
Tuesday	\$ 2.49
Wednesday	\$ 2.57
Thursday	\$ 2.55
Friday	\$ 2.52

FYI: Determining Meal Equivalency

Student breakfast meals served (3:2)	x	.67	=	Breakfast meal equivalents
Student lunch meals served (1:1)	x	1	=	Lunch meal equivalents
Student snack meals served (3:1)	x	.33	=	Snack meal equivalents
Non-program \$\$ (free reimb. + USDA value)	÷	\$3.07 + \$.3125	=	Non-program meal equivalents

What categories are not hitting their benchmarks?
 What other factors could be contributing to Kiwi HS not hitting their meal cost benchmark?