Food Service Program meals for students when school is not in session. 

§ 210.13 Facilities management. 

(a) Health standards. The school food authority shall ensure that food storage, preparation and service is in accordance with the sanitation and health standards established under State and local law and regulations. 

(b) Food safety inspections. Schools shall obtain a minimum of two food safety inspections during each school year conducted by a State or local governmental agency responsible for food safety inspections. They shall post in a publicly visible location a report of the most recent inspection conducted, and provide a copy of the inspection report to a member of the public upon request. Sites participating in more than one child nutrition program shall only be required to obtain two food safety inspections per school year if the nutrition programs offered use the same facilities for the production and service of meals. 

(c) Food safety program. The school food authority must develop a written food safety program that covers any facility or part of a facility where food is stored, prepared, or served. The food safety program must meet the requirements in paragraph (c)(1) or paragraph (c)(2) of this section, and the requirements in § 210.15(b)(5). 

(1) A school food authority with a food safety program based on traditional hazard analysis and critical control point (HACCP) principles must: 

(i) Perform a hazard analysis; 

(ii) Decide on critical control points; 

(iii) Determine the critical limits; 

(iv) Establish procedures to monitor critical control points; 

(v) Establish corrective actions; 

(vi) Establish verification procedures; and 

(vii) Establish a recordkeeping system. 

(2) A school food authority with a food safety program based on the process approach to HACCP must ensure that its program includes: 

(i) Standard operating procedures to provide a food safety foundation; 

(ii) Menu items grouped according to process categories; 

(iii) Critical control points and critical limits; 

(iv) Monitoring procedures; 

(v) Corrective action procedures; 

(vi) Recordkeeping procedures; and 

(vii) Periodic program review and revision. 

(d) Storage. The school food authority shall ensure that the necessary facilities for storage, preparation and service of food are maintained. Facilities for the handling, storage, and distribution of purchased and donated foods shall be such as to properly safeguard against theft, spoilage and other loss. 

§ 210.14 Resource management. 

(a) Nonprofit school food service. School food authorities shall maintain a nonprofit school food service. Revenues received by the nonprofit school food service are to be used only for the operation or improvement of such food service, except that, such revenues shall not be used to purchase land or buildings, unless otherwise approved by FNS, or to construct buildings. Expenditures of nonprofit school food service revenues shall be in accordance with the financial management system established by the State agency under § 210.19(a) of this part. School food authorities may use facilities, equipment, and personnel supported with nonprofit school food revenues to support a nonprofit nutrition program for the elderly, including a program funded under the Older Americans Act of 1965 (42 U.S.C. 3001 et seq.). 

(b) Net cash resources. The school food authority shall limit its net cash resources to an amount that does not exceed 3 months average expenditures for its nonprofit school food service or such other amount as may be approved by the State agency in accordance with § 210.19(a). 

(c) Financial assurances. The school food authority shall meet the requirements of the State agency for compliance with § 210.19(a) including any separation of records of nonprofit school food service from records of any other
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food service which may be operated by the school food authority as provided in paragraph (a) of this section.

(d) Use of donated foods. The school food authority shall enter into an agreement with the distributing agency to receive donated foods as required by part 250 of this chapter. In addition, the school food authority shall accept and use, in as large quantities as may be efficiently utilized in its nonprofit school food service, such foods as may be offered as a donation by the Department.

(e) Pricing paid lunches. For each school year beginning July 1, 2011, school food authorities shall establish prices for paid lunches in accordance with this paragraph.

1. Calculation procedures. Each school food authority shall:

   (i) Determine the average price of paid lunches. The average shall be determined based on the total number of paid lunches claimed for the month of October in the previous school year, at each different price charged by the school food authority.

   (ii) Calculate the difference between the per meal Federal reimbursement for paid and free lunches received by the school food authority in the previous school year (i.e., the reimbursement difference);

   (iii) Compare the average price of a paid lunch under paragraph (e)(1)(i) of this section to the difference between reimbursement rates under paragraph (e)(1)(ii) of this section.

2. Average paid lunch price is equal to/greater than the reimbursement difference. When the average paid lunch price from the prior school year is equal to or greater than the difference in reimbursement rates as determined in paragraph (e)(1)(ii) of this section, the school food authority shall establish an average paid lunch price for the current school year that is not less than the average price charged in the previous school year as adjusted by a percentage equal to the sum obtained by adding:

   (i) 2 percent; and

   (ii) The percentage change in the Consumer Price Index for All Urban Consumers used to increase the Federal reimbursement rate under section 11 of the Act for the most recent school year for which data are available. The percentage to be used is found in the annual notice published in the FEDERAL REGISTER announcing the national average payment rates, from the prior year.

3. Price Adjustments. (i) Maximum required price increase. The maximum annual average price increase required under this paragraph shall not exceed ten cents.

   (ii) Rounding of paid lunch prices. Any school food authority may round the adjusted price of the paid lunches down to the nearest five cents.

   (iii) Optional price increases. A school food authority may increase the average price by more than ten cents.

4. Reduction in average price for paid lunches. (i) Any school food authority may reduce the average price of paid lunches as established under this paragraph if the State agency ensures that funds are added to the nonprofit school food service account in accordance with this paragraph.

   The minimum that must be added is the product of:

   (A) The number of paid lunches claimed by the school food authority in the previous school year multiplied by

   (B) The amount required under paragraph (e)(3) of this section, as adjusted under paragraph (e)(4) of this section, minus the average price charged

   (ii) Prohibitions. The following shall not be used to reduce the average price charged for paid lunches:

   (A) Federal sources of revenue;

   (B) Revenue from foods sold in competition with lunches or with breakfasts offered under the School Breakfast Program authorized in 7 CFR part 220. Requirements concerning foods sold in competition with lunches or
breakfasts are found in §210.11 and §220.12 of this chapter, respectively;
(C) In-kind contributions;
(D) Any in-kind contributions converted to direct cash expenditures after
July 1, 2011; and
(E) Per-meal reimbursements (non-Federal) specifically provided for support
of programs other than the school lunch program.
(iii) Allowable non-Federal revenue sources. Any contribution that is for
the direct support of paid lunches that is not prohibited under paragraph
(e)(5)(ii) of this section may be used as revenue for this purpose. Such con-
tributions include, but are not limited to:
(A) Per-lunch reimbursements for paid lunches provided by State or local
governments;
(B) Funds provided by organizations, such as school-related or community
groups, to support paid lunches;
(C) Any portion of State revenue matching funds that exceeds the min-
imum requirement, as provided in §210.17, and is provided for paid
lunches; and
(D) A proportion attributable to paid lunches from direct payments made
from school district funds to support the lunch service.
(6) Additional considerations. (i) In any given year, if a school food authority
with an average price lower than the reimbursement difference is not re-
quired by paragraph (e)(4)(ii) of this section to increase its average price for
paid lunches, the school food authority shall use the unrounded average price
as the basis for calculations to meet paragraph (e)(3) of this section for the
next school year.
(ii) If a school food authority has an average price lower than the reim-
bursement difference and chooses to in-
crease its average price for paid
lunches in any school year more than is required by this section, the amount
attributable to the additional vol-
untary increase may be carried forward
to the next school year(s) to meet the
requirements of this section.
(iii) For the school year beginning
July 1, 2011 only, the limitations for
non-Federal contributions in paragraph
(e)(5)(iii) of this section do not apply.

(7) Reporting lunch prices. In accord-
ance with guidelines provided by FNS:
(i) School food authorities shall re-
port prices charged for paid lunches to
the State agency; and
(ii) State agencies shall report these
prices to FNS.
(1) Revenue from nonprogram foods. Be-
ginning July 1, 2011, school food au-
thorities shall ensure that the revenue
generated from the sale of nonprogram
foods complies with the requirements
in this paragraph.
(1) Definition of nonprogram foods. For
the purposes of this paragraph, nonpro-
gram foods are those foods and bev-
erages:
(i) Sold in a participating school
other than reimbursable meals and
meal supplements; and
(ii) Purchased using funds from the
nonprofit school food service account.
(2) Revenue from nonprogram foods.
The proportion of total revenue from
the sale of nonprogram foods to total
revenue of the school food service ac-
count shall be equal to or greater than:
(i) The proportion of total food costs
associated with obtaining nonprogram
foods to
(ii) The total costs associated with
obtaining program and nonprogram
foods from the account.
(3) All revenue from the sale of non-
program foods shall accrue to the non-
profit school food service account of a
participating school food authority.

§210.15 Reporting and recordkeeping.

(a) Reporting summary. Participating
school food authorities are required to
submit forms and reports to the State
agency or the distributing agency, as
appropriate, to demonstrate compli-
ance with Program requirements. These
reports include, but are not lim-
ited to:
(1) A Claim for Reimbursement and,
for the month of October and as other-
wise specified by the State agency, sup-
porting data as specified in accordance
with §210.8 of this part;
(2) An application and agreement for
program operations between the school
food authority and the State agency,