

## Memorandum

To: School Food Authority (SFA) that operate the USDA School Meal Programs

From: Susan Benning, Child Nutrition Programs Accountant

Date: January 28, 2022

Subject: USDA Fiscal Year 2022 Supply Chain Assistance (SCA) Funding

USDA is providing additional financial resources for SFAs in response to widespread supply chain disruptions, to strengthen local food supply chains, and to help SFAs to overcome financial and operational barriers while maintaining children's access to nutritious meals. These resources will be referred to as Supply Chain Assistance (SCA) funds.

The Wyoming Department of Education (WDE) will distribute SCA funds to SFAs to help defray the costs associated with unanticipated cancellation of food and supply contracts, reduced availability of certain foods, unexpected substitution of certain products, unpredictable increases in food and supply prices, and other identified challenges. **This funding will support the direct purchasing of unprocessed or minimally processed domestic food products by SFAs.** The SCA funds will be provided based on a formula allocation as described in policy memo SP 03-2022, *Allocation of Supply Chain Assistance (SCA) Funds to Alleviate Supply Chain Disruptions in the School Meal Programs* issued by the Child Nutrition Programs.

This allocation includes two components: a base payment of \$5,000 to all eligible SFAs, and a proportional funding amount based on each SFA's share of statewide student enrollment. SFAs are permitted to accept less than the full amount of their SCA funding allocation.

### **SPECIFIC REQUIREMENTS**

The SCA funds will be deposited into the nonprofit school food service account. All SFAs are then required to maintain documentation supporting food purchases that are allowable for SCA funding purposes and equal to the amount received. However, SCA funds do not need to be separated from other monies within the nonprofit food service account and do not need to be tracked separately from other funding.

### **DOCUMENTATION**

All SFAs are required to maintain purchasing and other records for review and audit purposes. This may include invoices, receipts, and other purchase documents.

### **PAYMENTS**

Payment will be made to the same account as your other Food Program reimbursement funding **via the online CNP Claims – Claims Funds for SNP function. Please review this item to see the amount of SCA funding to be received.** Payment will be a one-time payment processed on March 1, 2022 and only if the attestation statement (below) is received by WDE. However, your SFA may decline all or part of this funding.

## **PERIOD OF PERFORMANCE**

The period of performance for all SCA funds allocated will run from the award date of March 1, 2022 to September 30, 2023. This means that all funding must be spent for only on allowable purchases by September 30, 2023.

## **ALLOWABLE COSTS**

SCA funds must be used exclusively for the purchase of domestic food products that are unprocessed or minimally processed. Expenditure of funds provided under this award must also be necessary, allowable, and reasonable costs and **incurred** only during the performance period.

Examples of some allowable food products include fluid milk and other dairy foods such as cheese and yogurt; fruits and vegetables (including 100% juices); grain products such as pastas and rice; meats (whole, pieces, or food items such as ground meats); and meat alternates such as beans or legumes. Foods in a wide variety of minimal processing states (e.g., whole, cut, pureed, etc.) and/or forms (e.g., fresh, frozen, canned, dried, etc.) are allowable.

Additionally, incidental costs (such as those related to shipping and handling or packaging) that are a part of the normal or customary purchase price charged by a vendor for any given food product are an allowable use of SCA funds.

While funds may only be used to purchase domestic food products, SFAs **are not** required to purchase locally grown or raised foods with SCA funds, however, SFAs are encouraged to procure locally whenever feasible.

The steps SFAs must take to ensure the domesticity of food products purchased with SCA funds is consistent with the measures taken for all other purchases in the school meal programs (per existing NSLP Buy American provision requirements). The difference is that the limited exceptions provided under the NSLP Buy American provision may not be used since all products purchased with SCA funds must be domestic.

As with all Federal grants, all Federal procurement regulations found in 2 CFR 200, will apply, including the option to utilize emergency noncompetitive procurements

## **UNALLOWABLE COSTS**

In general, unallowable costs are those expenses that are not necessary, reasonable, or allocable. Specific to these funds, foods that are generally understood to be significantly processed or prepared may not be purchased using SCA funds. For example, crushed tomatoes, shredded cheese, whole-wheat flour, and sliced vegetables are all food items that are individually allowable, but a pre-made pizza comprised of those ingredients would *not* be allowable. Other examples of unallowable products include baked goods such as breads, muffins, or crackers; pre-packaged sandwiches or meals; or other prepared and/or pre-cooked items such as chicken nuggets, that come ready-to-eat or that require no further preparation beyond heating. Non-domestic food products cannot be purchased with SCA funds.

Additionally, SCA funds may not be used to cover the cost of past expenditures and may only be used for current/future expenses. This may include new obligations, or bills on prior unpaid obligations that come due following the SFA's receipt of SCA funds. An example would be if an SFA that signed a purchasing contract for milk before the start of the school year that is paid for on a monthly basis. If SCA funds are received by the SFA on March 1, 2022, the SFA could use those funds to pay invoices for milk that are due on or after that date.

SFAs must complete the attestation statement for the receipt of SCA funding. Please sign and return to [susan.benning@wyo.gov](mailto:susan.benning@wyo.gov). SEE STATEMENT BELOW

- The assurance statement must be in writing (however an email or email attachment will be considered written communication for this purpose).
- **Be signed** or submitted by the SFA's authorized representative or the Program operator on record with the WDE. The statement must be signed and dated (either physically or digitally).
- Include all contact information for the Program operator or authorized representative. This can be part of the email correspondence or added to the attestation statement.

If you wish to opt out of receiving payment, or if you have any questions or concerns please contact me at (307) 777-6280 or at [susan.benning@wyo.gov](mailto:susan.benning@wyo.gov)

## ATTESTATION STATEMENT

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Name of School Food Authority (SFA):

SFAs will attest that they:

- Are experiencing supply chain disruptions or related financial difficulties;
- Will only use funds to purchases domestic unprocessed or minimally processed foods;
- Will not use funds for any labor, indirect, or other administrative expenses;
- Will comply with all recordkeeping and review requirements per 7 CFR 210.9(b)(17) and 7 CFR 210.18, which would include maintaining documentation demonstrating appropriate use of SCA funds; and
- Will comply with all applicable Federal procurement and financial management requirements per 2 CFR 200.
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By checking this box and having an authorized official sign and date this document, this will act as a clear and affirmative acknowledgement of all terms and conditions described above in regards to receipt of SCA funding.

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SFA Authorized Representative

Date

Contact Information: