



Pull out the Federal Wallet: FNS State Administrative Funds

Session Agenda

Session Goals

SAE Deep Dive

CACFP Audit Funds

SAF

SEBT Admin Funding

State Agency Discussion

Presenters

Jess Saracino, Director, Program Monitoring and Operational Support, FNS, NO

Penny Burke, Branch Chief, Operational Support, FNS, NO

Sean Monahan, Branch Chief, Grants Management and Fiscal Policy Division, USDA-FNS Office of Financial Management

Tim Thole, Team Lead, Summer Food Service Program, Community Nutrition Programs Branch, WRO

Kala Shipley, Chief, Bureau of Nutrition & Health Services, Iowa Department of Education

Melanie Brummeler, Interim Assistant Director, Office of Health and Nutrition Services, Michigan Department of Education

Dr. Lynn Harvey, Senior Director, North Carolina Department of Public Instruction

Goals for Today's Session



We want you to walk away with a greater understanding of the Child Nutrition Admin Funding Streams including how they are calculated and allocated to States



Navigating the ins and outs of the different funding sources and the flexibility FNS has to change the amount of the funding



Hear and learn about best practices from your colleagues

Instructions

Go to

www.menti.com

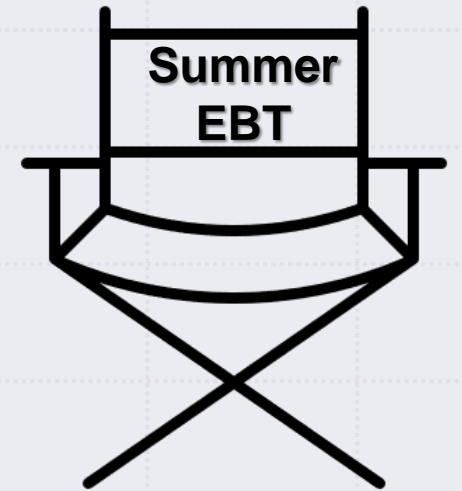
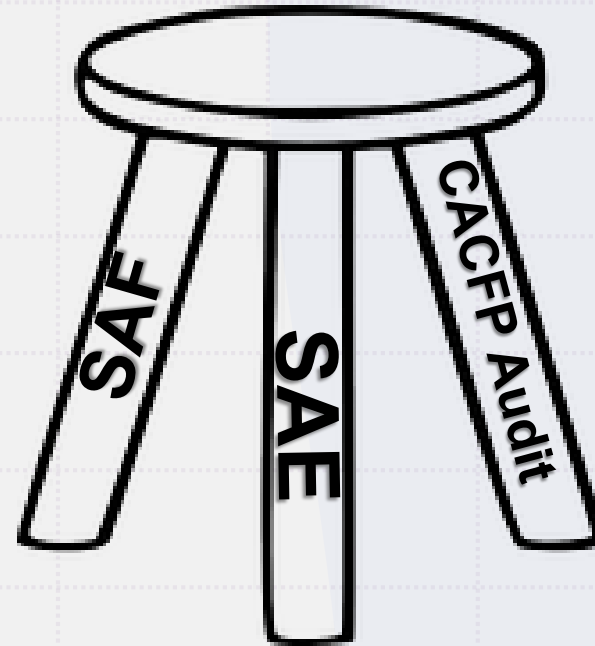
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Or use QR code

Child Nutrition Administrative Funding





State
Administrative
Expense (SAE)
Funds



SAE Plan

Components

- Staffing;
- Budget by cost category;
- Amount of funds provided by the State;
- The total amount of budgeted funds;
- The State agency's estimate of the *total* amount of budgeted funds needed for the administration of each CN program and to each of the major activity areas of the State agency
- The State agency's estimate of the total CACFP audit funds to be used.

SAE Plan Amendments

The Plan is only resubmitted when there are substantial changes – these include:

1. Increase or decrease to a budget line item which is greater than 20% of the amount approved that line item in the initial Plan, unless the change is less than \$10,000.
2. An addition or deletion of any activity that was not included in the initial Plan.
3. Any increase or decrease to the staffing level greater than 20% of the staff years approved in the initial Plan.



SAE Lifespan



- 2-year funds
- Child Nutrition Integrity Rule
- 20% of Carryover

	1st year of 2025 SAE funds				2nd year of 2025 SAE Funds			
FY 2025	QTR 1 (Oct-Dec) 2024	QTR 2 (Jan-Mar) 2025	QTR 3 (Apr-Jun) 2025	QTR 4 (Jul Sep) 2025	QTR 5 (Oct-Dec) 2025	QTR 6 (Jan-Mar) 2026	QTR 7 (Apr-Jun) 2026	QTR 8 (Jul Sep) 2026
	1st year of 2024 SAE funds				2nd year of 2024 SAE Funds			
FY 2024	QTR 1 (Oct-Dec) 2023	QTR 2 (Jan-Mar) 2024	QTR 3 (Apr-Jun) 2024	QTR 4 (Jul Sep) 2024	QTR 5 (Oct-Dec) 2024	QTR 6 (Jan-Mar) 2025	QTR 7 (Apr-Jun) 2025	QTR 8 (Jul Sep) 2025
	1st year of 2023 SAE funds				2nd year of 2023 SAE Funds			
FY 2023	QTR 1 (Oct-Dec) 2022	QTR 2 (Jan-Mar) 2023	QTR 3 (Apr-Jun) 2023	QTR 4 (Jul Sep) 2023	QTR 5 (Oct-Dec) 2023	QTR 6 (Jan-Mar) 2024	QTR 7 (Apr-Jun) 2024	QTR 8 (Jul Sep) 2024

SAE Carryover



SAE (Initial Allocation)

+ Reallocation

+ (-/+) Transfers

Total Allocation

Total Allocation

x 20%

Carryover

SAE Formula

Child Nutrition Act of 1966 Section 7(a)(1)

7 CFR 235.4

SAE Formula

Two Parts

Nondiscretionary

Discretionary



Nondiscretionary – 2 Categories

7 CFR 235.4(a)

School Programs

1% of program expenditures for NSLP, SBP, and SMP

- § The amount will not be less than \$200,000, adjusted for inflation (currently \$212,003.45) or FY 1981 amount, whichever is greater

CACFP

Program expenditures in the amount of

- § 20% of the first \$50,000
- § 10% of the next \$100,000
- § 5% of the next \$250,000
- § 2 ½% of any remaining

Discretionary – 3 Categories

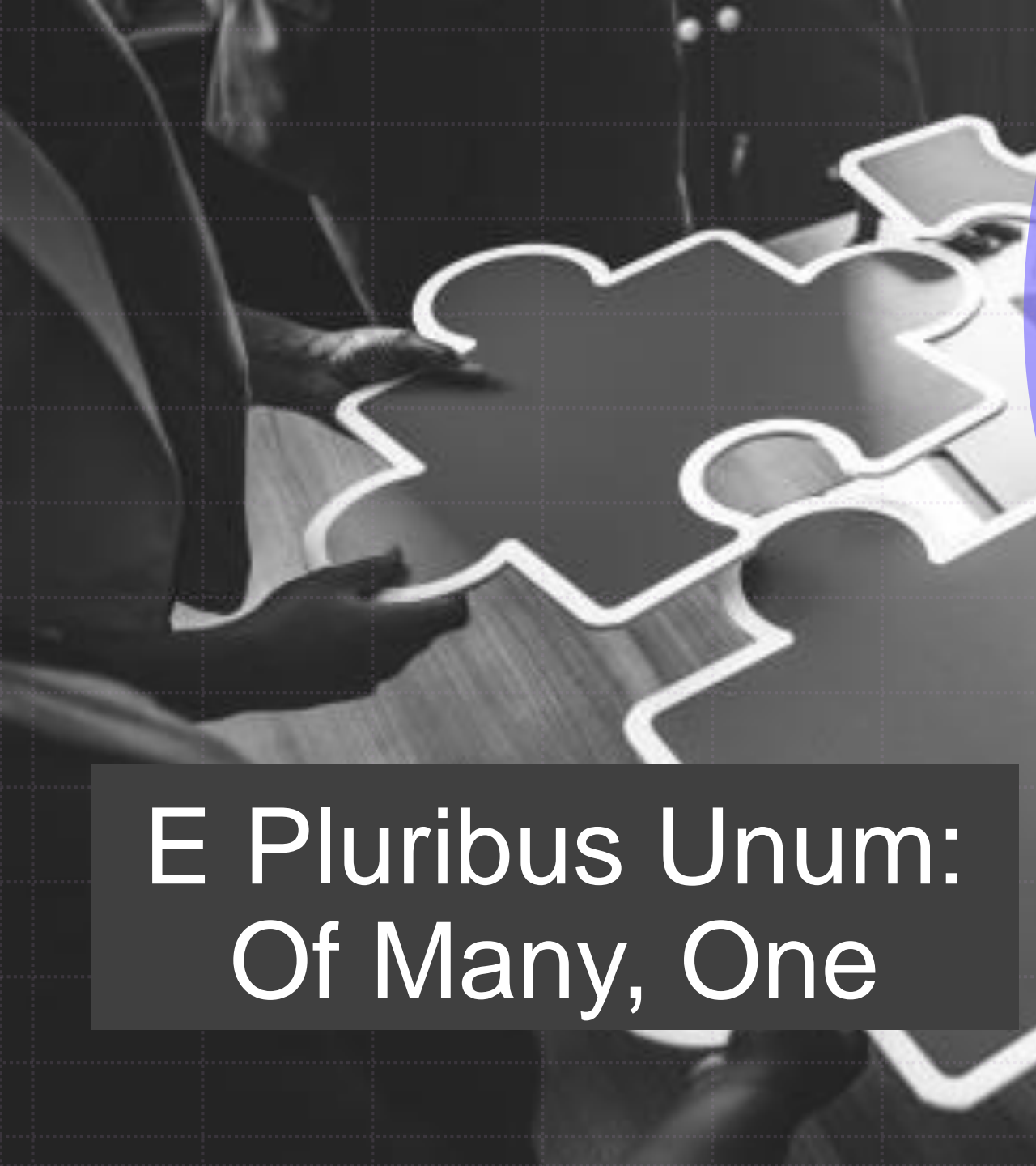
7 CFR 235.4(b)

Administrative Review

CACFP

Food Distribution





**E Pluribus Unum:
Of Many, One**

SAE Allocation

=

Nondiscretionary School Meals

+

Nondiscretionary CACFP

+

Discretionary Admin Review

+

Discretionary CACFP

+

Discretionary Food Distribution

What are the main takeaways for the formula?

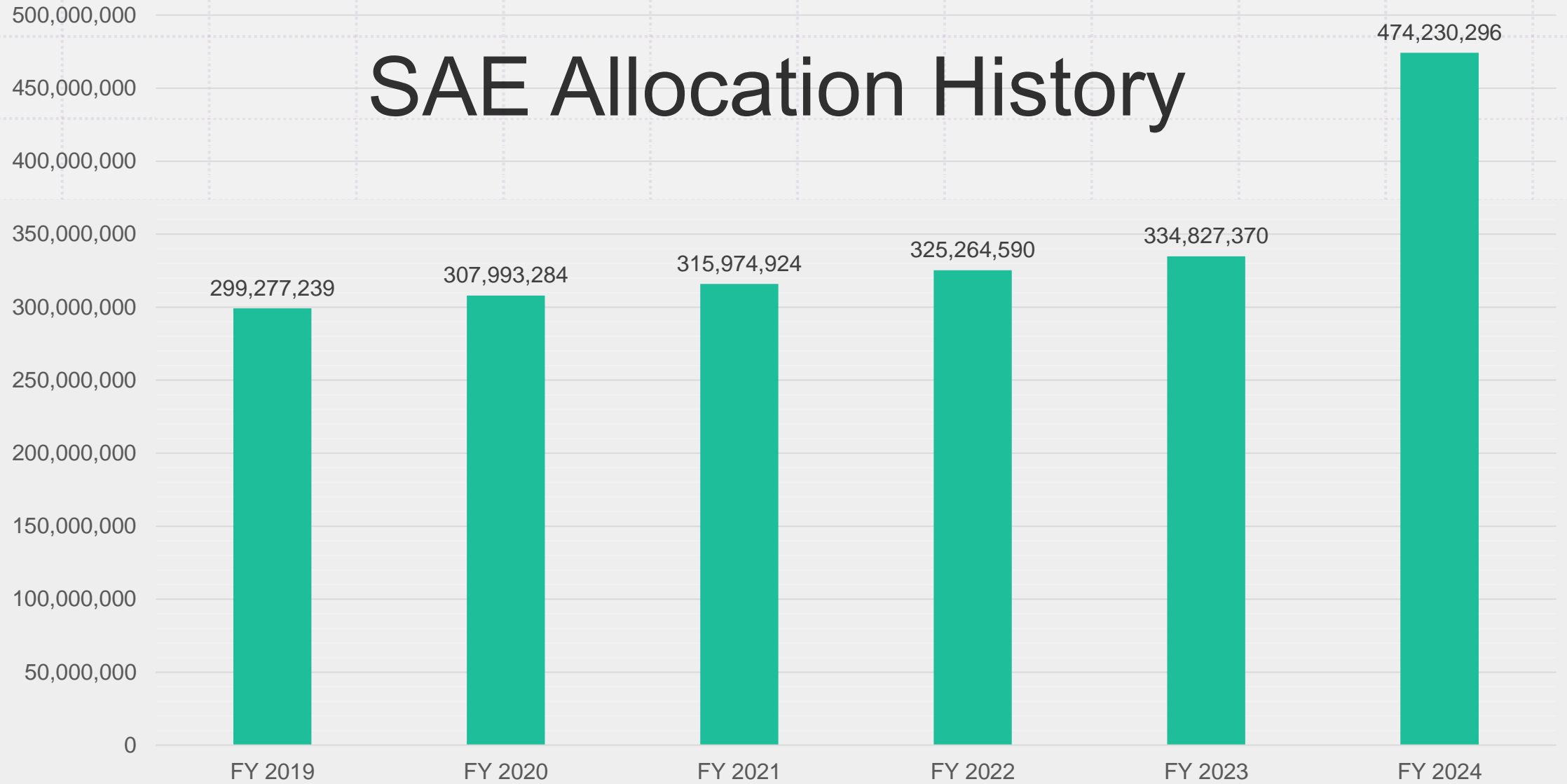
- 1. Funds are allocated based on program size and the number of programs administered by the State agency**
- 2. Large State agencies that administer all the Child Nutrition Programs receive more SAE**
- 3. States agencies with less program participation and State agencies administering single programs receive less SAE**

SAE Allocations

Historically Increase Each Year



SAE Allocation History



POLL Question

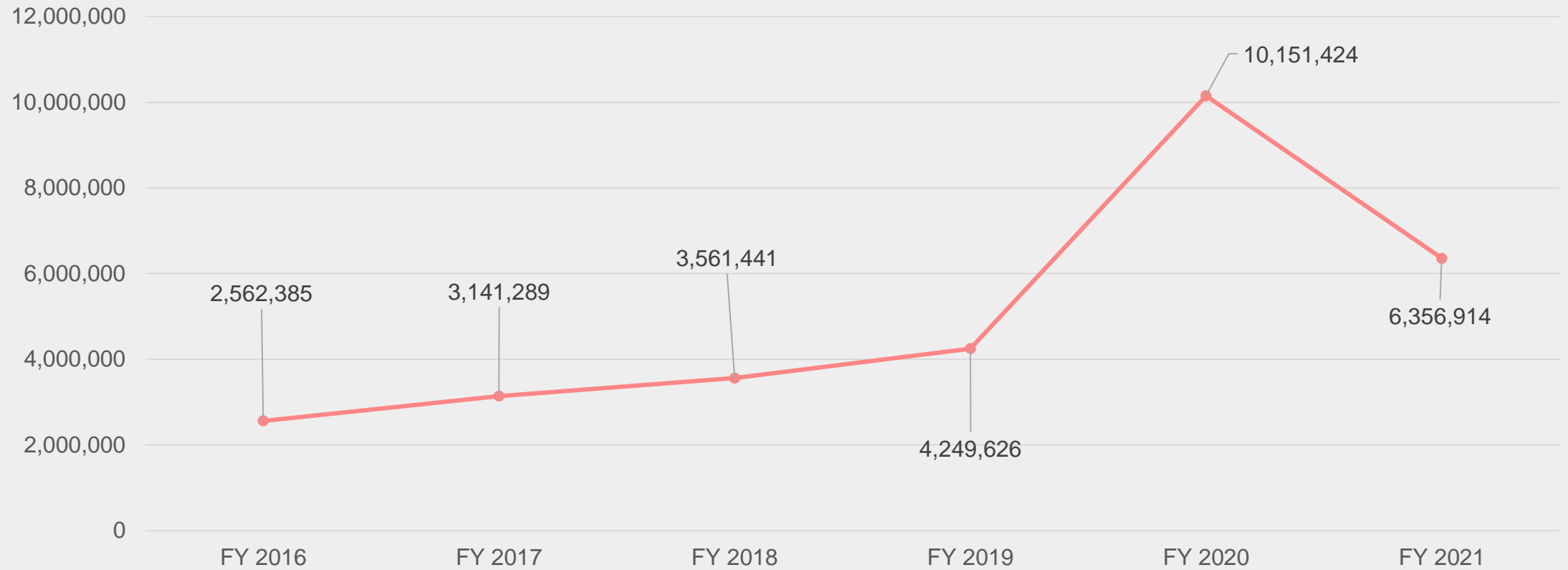
1. How is your State agency using your additional FY 2024 SAE funding?
2. Food Distribution Programs
3. Additional Technology Needs
4. Additional Trainings
5. Other – _____
6. All of the above



POLL Answer



SAE Funds Returned



State
Administrative
Expense (SAE)
Reallocation
Funds



Where do reallocation funds come from?



Two Sources

1. SAE funds voluntarily returned by State agencies: These are rare!
2. Recoveries of prior year unobligated funds above the 20% carryover limit going into the second year of the lifespan

Example: For FY 2024 SAE Reallocation, these would be FY 2023 SAE funds



SAE Reallocation Process

Roles, Steps, Decisions, and More!

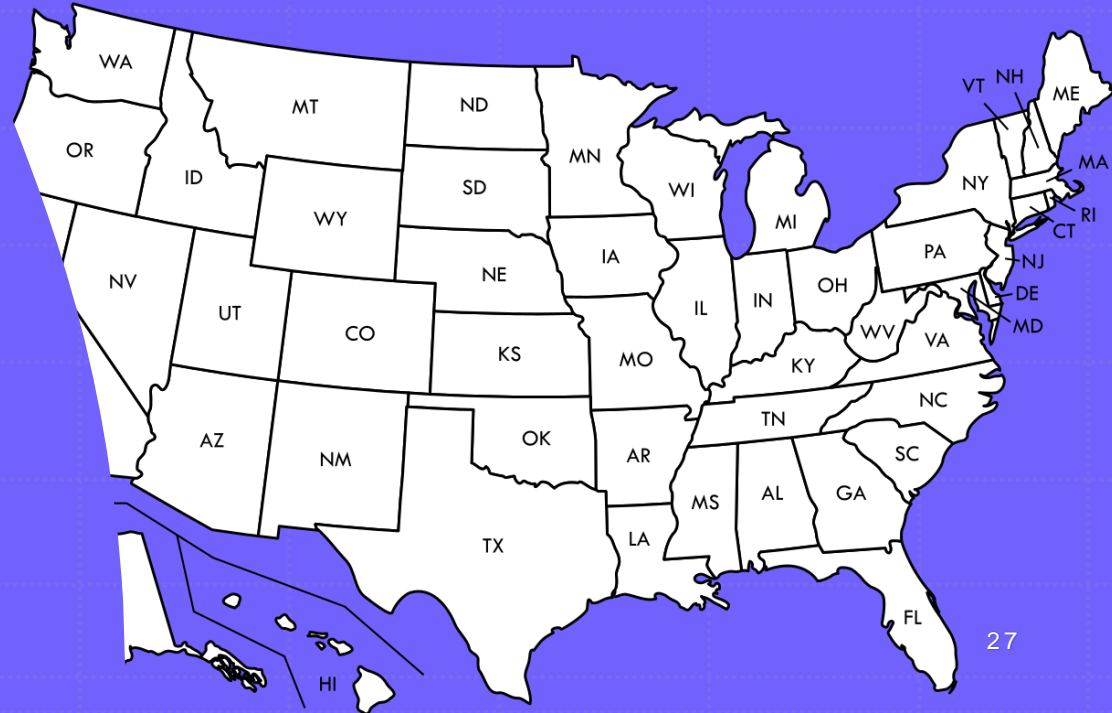


State Agency Roles and Tasks

Role: Recipient of Funding

Tasks:

1. Assess Needs
2. Submit FNS-525



Regional Office Roles and Tasks

Roles: State Agency Reviewer

Tasks:

1. Receive FNS-525s from State Agencies
2. Evaluate FNS-525s for Allowability
3. Submit FNS-525 to National Office





National Office Roles and Tasks

*PRIORITY #1

PRIORITY #2

PRIORITY #3

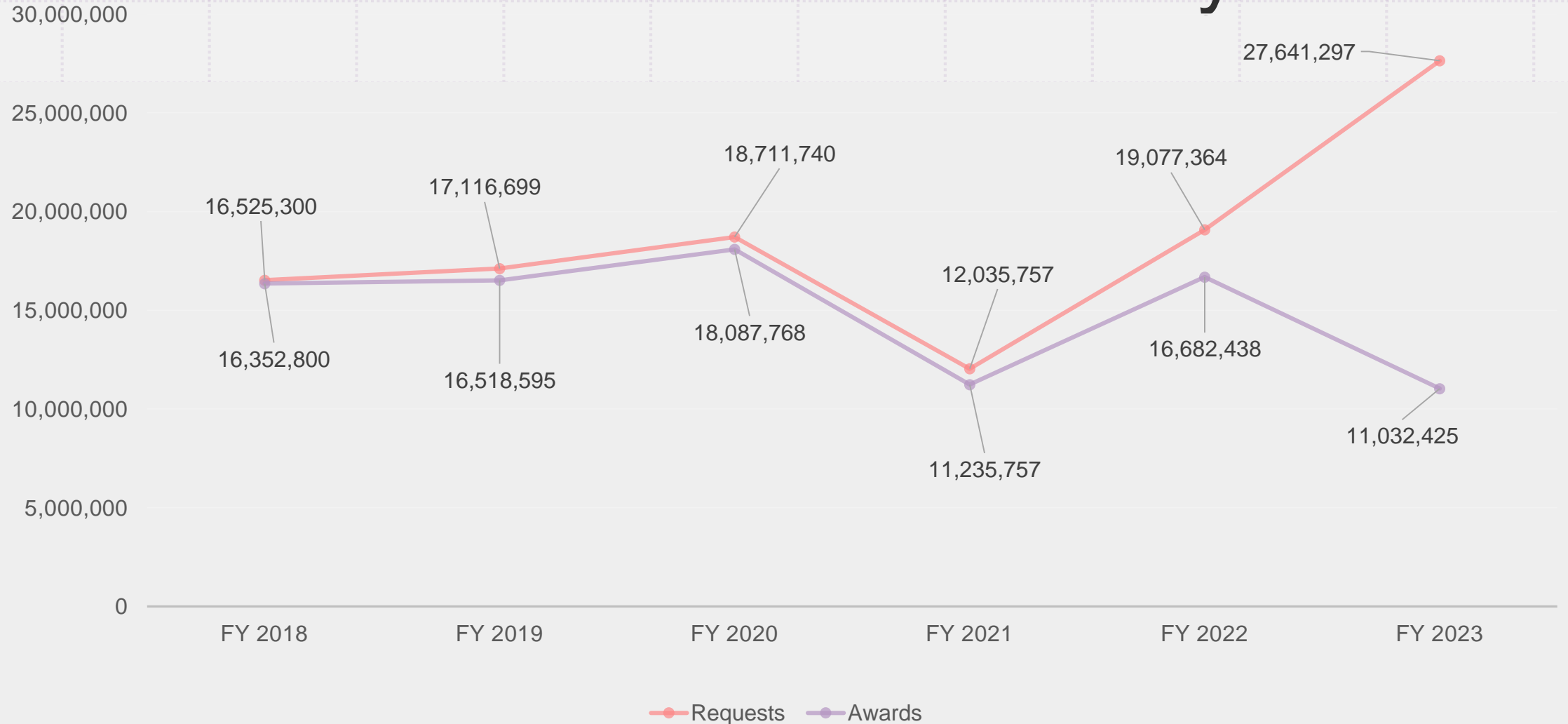


Roles: Reviewers, Prioritizes, Distributors

Tasks:

1. Calculate Available Funding (FM)
2. Review FNS-525s Received from Regional Offices
3. Prioritize Requests According to Pre-Selected Categories
4. Allot Funding

SAE Reallocation History



SAE Reallocation – Common Requests

- **USDA Foods**
- Warehouse operations and fees; equipment and system improvements for storage; transportation costs; and training
- **Information Technology Projects and System Maintenance**
- Feasibility studies; maintenance and operations new automated systems; upgrades and enhancements; and hardware and software
- **State Operational Costs**
- Trainings; conferences and travel expenses; fees for vendor support



State
Administrative
Expense (SAE)
Allowable
Costs



Use of Funds

§ State Level Costs

§ Important Regulations:

§ Federal Cost Principals – Title 2 CFR 200

§ 7 CFR 235.6

§ Reasonable, Allocable, and Necessary (RAN)



Funds are Transferrable

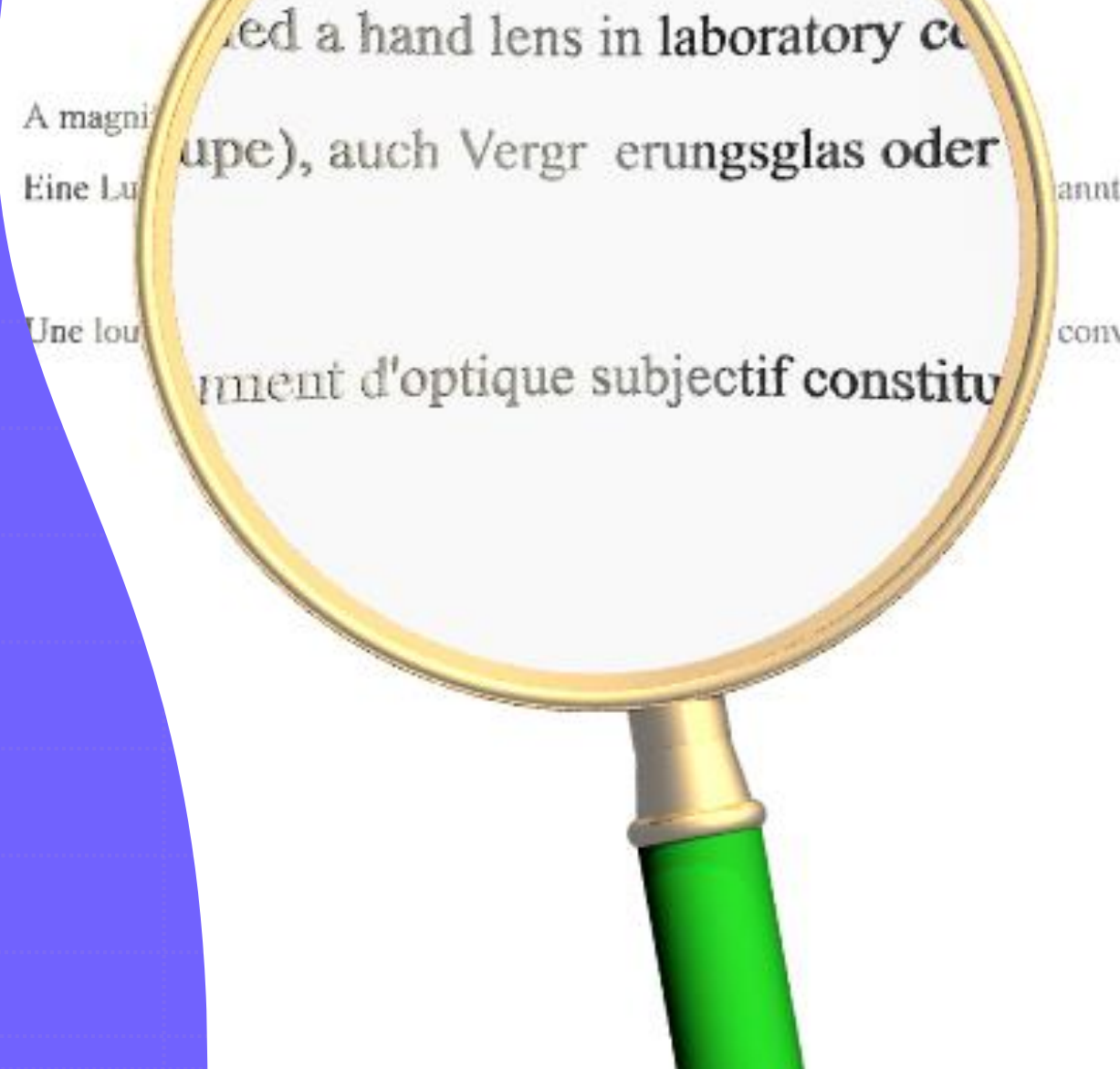
SAE funds may be used for any allowable cost associated with the administration of CNPs, without regard to the basis on which they were earned and allocated

Examples:

- \$ Funds allocated to NSLP may be transferred to FDP within same AGENCY
- \$ Funds allocated to DOE may be transferred to DHS within same STATE



SAE Study



Key Study Findings



State agency perceptions of the adequacy of their SAE allocation are closely linked to the size of their programs



State agencies that administer multiple CNPs in large-population States reported that SAE funding is sufficient.



The small-size multi-program agencies and the single-program agencies reported that their base SAE allocation is not enough to cover their costs.



The number of State agencies receiving reallocated funds more than doubled, from 17 in FY 2006 to 35 in FYs 2017 and 2018

Study Recommendations

Would require statutory change

- Increase the current minimum levels in the allocation formula

Would require statutory change

- Changes to FDP allocation including, increasing discretionary funding and/or base allocation for FDP
- Increase the level of discretionary funding for Administrative Review

Other

- Provide States earlier notification of SAE allocation and reallocation
- Make changes to Reallocation Process
- Increase funding for IT grants

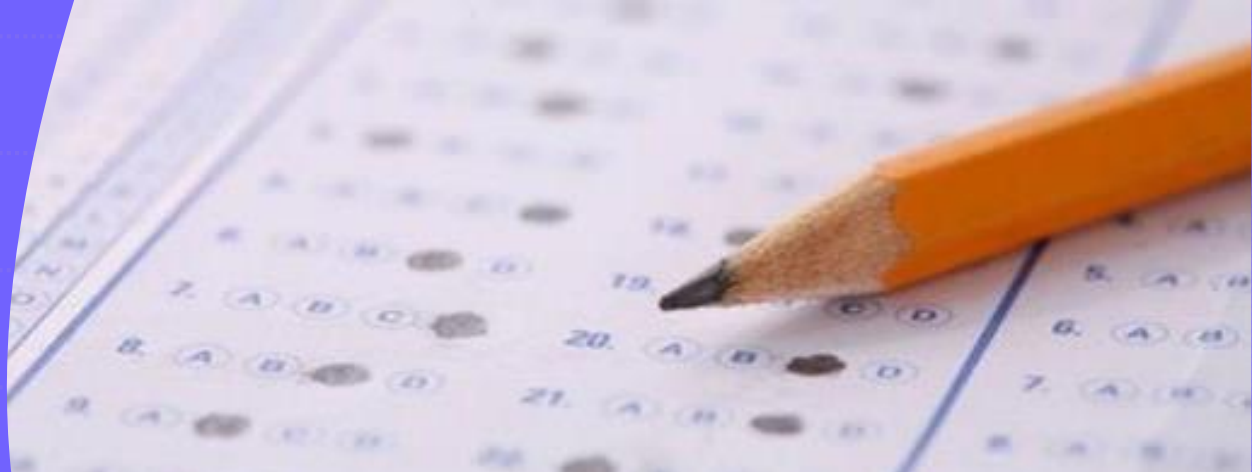
What FNS Can Do – We Want to Hear from You!

1. **What We've Already Done**
2. SAE Reallocation
3. CN Technology Grants (TIGs)
4. Carryover
5. **What We Can Do in the Future**
6. Earlier Notification of SAE allocation and reallocation
7. Provide States with a tool so you all are able to estimate your SAE allocation



FNS will continue to explore options

Child and Adult Care Food Program (CACFP) Audit Funds



CACFP Audit Funds - included in the SAE Plan

- State agencies administering USDA Child Nutrition Programs are required to plan how to fully utilize the Federal funds.
- The SAE plan must also include how the CACFP audit funds will be utilized [7 CFR 235.5(b)(1)(vi)].
- It is important to understand what expenses are allowable for utilizing CACFP Audit Funds.



CACFP Audit Funds: Lifespan and Carryover

1-year
funds

No
carryover



CACFP Audit Funds for Allowable CACFP Expenses

When to Use CACFP Audit Funds

- \$ Expenses related to CACFP portion of audits
- \$ Expenses related to CACFP monitoring compliance reviews
- \$ Technology expenses for CACFP audits and monitoring



CACFP Audit Funds – CN Integrity Final Rule

- Codified requests for additional CACFP audit funds
- FNS approval based on State agency's expressed need for additional funds to meet audit requirements, fulfill State agency CACFP monitoring requirements, or effectively improve Program management.
- Specified additional CACFP expenses for which additional audit funds could be used.

17564 Federal Register / Vol. 81, No. 60 / Tuesday, March 29, 2016 / Proposed Rules

DEPARTMENT OF AGRICULTURE
Food and Nutrition Service

7 CFR Parts 210, 215, 220, 225, 226 and 235

RIN 0584-AE08

Child Nutrition Program Integrity

AGENCY: Food and Nutrition Service, USDA.

ACTION: Proposed rule.

SUMMARY: This rule proposes to codify several provisions of the Healthy, Hunger-Free Kids Act of 2010 affecting the integrity of the Child Nutrition Programs, including the National School Lunch Program (NSLP), the Special Milk Program for Children, the School Breakfast Program, the Summer Food Service Program (SFS), the Child and Adult Care Food Program (CACFP) and State Administrative Expense Funds. The Department is proposing to establish criteria for assessments against State agencies and program operators who jeopardize the integrity of any Child Nutrition Program; establish procedures for termination and disqualification of entities in the SFS; modify State agency site review requirements in the CACFP; establish State liability for reimbursements incurred as a result of a State's failure to conduct timely hearings in the CACFP; establish criteria for increased State audit funding for CACFP; establish procedures to prohibit the participation of entities or individuals terminated from any of the Child Nutrition Programs; establish serious deficiency and termination procedures for unaffiliated sponsored centers in the CACFP; eliminate cost-reimbursement food service management company contracts in the NSLP; and establish procurement training requirements for State agency and school food authority staff in the NSLP. In addition, this rulemaking would make several operational changes to improve oversight of an institution's financial management and would also include several technical corrections to the regulations. The proposed rule is intended to improve the integrity of all Child Nutrition Programs.

DATES: To be assured of consideration, written comments must be postmarked on or before May 31, 2016.

ADDRESSES: The Food and Nutrition Service, USDA, invites interested persons to submit written comments on this proposed rule. In order to ensure proper receipt, written comments must be submitted through one of the following methods only:

- *Preferred method:* Federal eRulemaking Portal at <http://www.regulations.gov>. Follow the online instructions for submitting comments.
- *Mail:* Comments should be addressed to Andrea Farmer, Chief, School Meal Programs Branch, Policy and Program Development Division, Child Nutrition Programs, Food and Nutrition Service, Department of Agriculture, 3101 Park Center Drive, Alexandria, Virginia 22302-1594.
- *Hand Delivery or Courier:* Deliver comments to the Food and Nutrition Service, Child Nutrition Programs, 3101 Park Center Drive, Alexandria, Virginia 22302-1594, during normal business hours of 8:30 a.m.–5:00 p.m., Monday through Friday.

Comments sent by other methods not listed above will not be able to be accepted and subsequently, not posted. All comments submitted in response to this proposed rule will be included in the record and will be made available to the public. Duplicate comments are not considered. Please be advised that the substance of the comments and the identity of the individuals or entities submitting the comments will be subject to public disclosure. The Department will make the comments publicly available on the Internet via <http://www.regulations.gov>.

FOR FURTHER INFORMATION CONTACT: Mandana Yousefi, Community Meal Programs Branch, Policy and Program Development Division, Child Nutrition Programs, Food and Nutrition Service at (703) 305-2590.

SUPPLEMENTARY INFORMATION:

- I. Public Comment Procedures
- II. Executive Summary
- III. Background and Discussion of the Proposed Rule
- IV. Procedural Matters

I. Public Comment Procedures

Your written comments on the proposed rule should be specific, should be confined to issues pertinent to the proposed rule, and should explain the reason(s) for any change you recommend or proposal(s) you oppose. Where possible, you should reference the specific section or paragraph of the proposal you are addressing. We invite specific comments on various aspects of the rule as described later in this preamble. We also invite comments from State agencies, sponsors, and providers on the administrative cost of compliance with any of the provisions in the rule. Additionally, we invite comments on the potential impact of the changes in the proposed rule on Program access, particularly in areas through the country where there are a limited number of providers available to operate the Programs. Comments received after the close of the comment period (refer to **DATES**) will not be considered or included in the Administrative Record for the final rule. We also invite your comments on how to make these proposed regulations easier to understand, including answers to questions such as the following:

- (1) Are the requirements in the proposed regulations clearly stated?
- (2) Does the rule contain technical language or jargon that interferes with its clarity?
- (3) Does the format of the rule (e.g., grouping and order of sections, use of headings, and paragraphing) make it clearer or less clear?
- (4) Would the rule be easier to understand if it was divided into more (but shorter) sections?
- (5) Is the description of the rule in the preamble section entitled "Background and Discussion of the Proposed Rule" helpful in understanding the rule? How could this description be more helpful in making the rule easier to understand?

II. Executive Summary

Purpose of the Regulatory Action

This proposed rule would codify several provisions of the Healthy, Hunger-Free Kids Act of 2010 (HHFKA), Public Law 111-296, that affect the integrity of the Child Nutrition Programs, including the National School Lunch Program (NSLP), the Special Milk Program for Children (SMP), the School Breakfast Program (SBP), the Summer Food Service Program (SFS), the Child and Adult Care Food Program (CACFP), and State Administrative Expense Funds (SAE). In addition, this rule would incorporate policy changes resulting from several findings from recently conducted targeted management evaluations of the CACFP by the Food and Nutrition Service (FNS), and USDA Office of Inspector General audit findings, as well as other miscellaneous revisions to the regulations. The rule is intended to improve the integrity of all Child Nutrition Programs.

USDA anticipates that the provisions under this proposed rule would be implemented 90 days following publication of the final rule, with the exception of those related to CACFP audit funds and those related to assessments against State agencies and program operators. The provision granting eligible State agencies additional CACFP audit funds will be implemented upon publication of the final rule. Because States and school districts have been working diligently to implement the provisions of the

CACFP Audit Funds – Allocation

National School Lunch Act Section 17

1.5% of funds from the second proceeding fiscal year

USDA may increase amount of funds to a maximum of 2%

(Codified by Child Nutrition Program Integrity Rule)

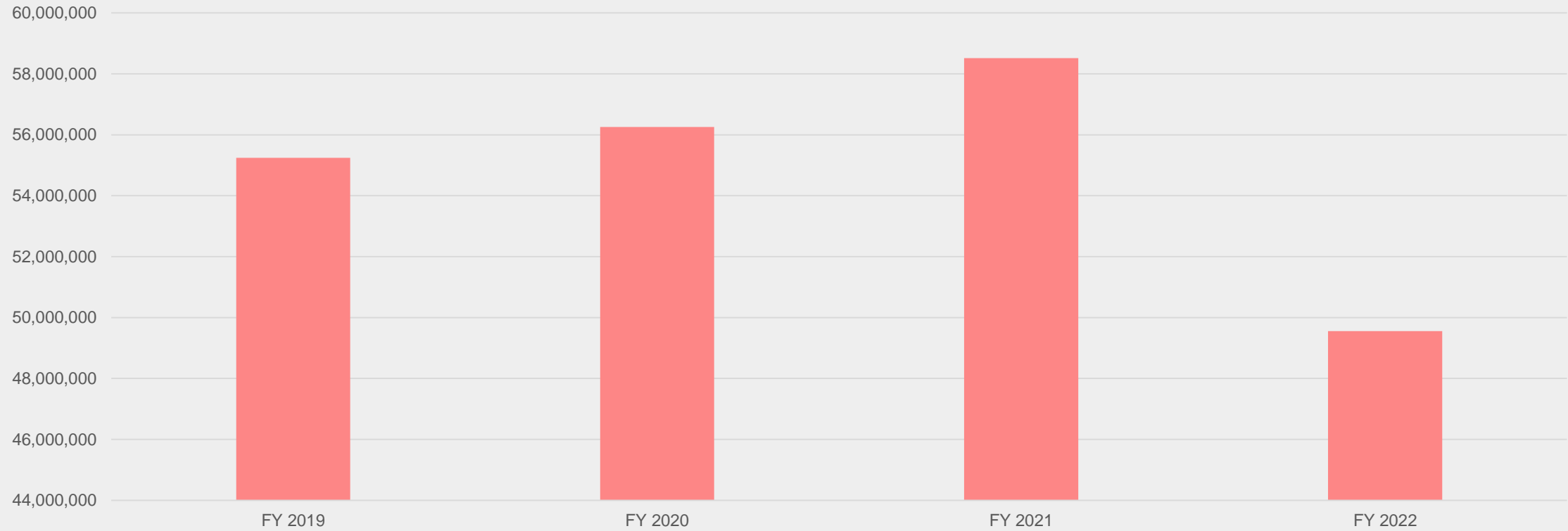
Poll

Has your State agency requested additional CACFP Audit Funds for FY 2024?

- Yes
- No



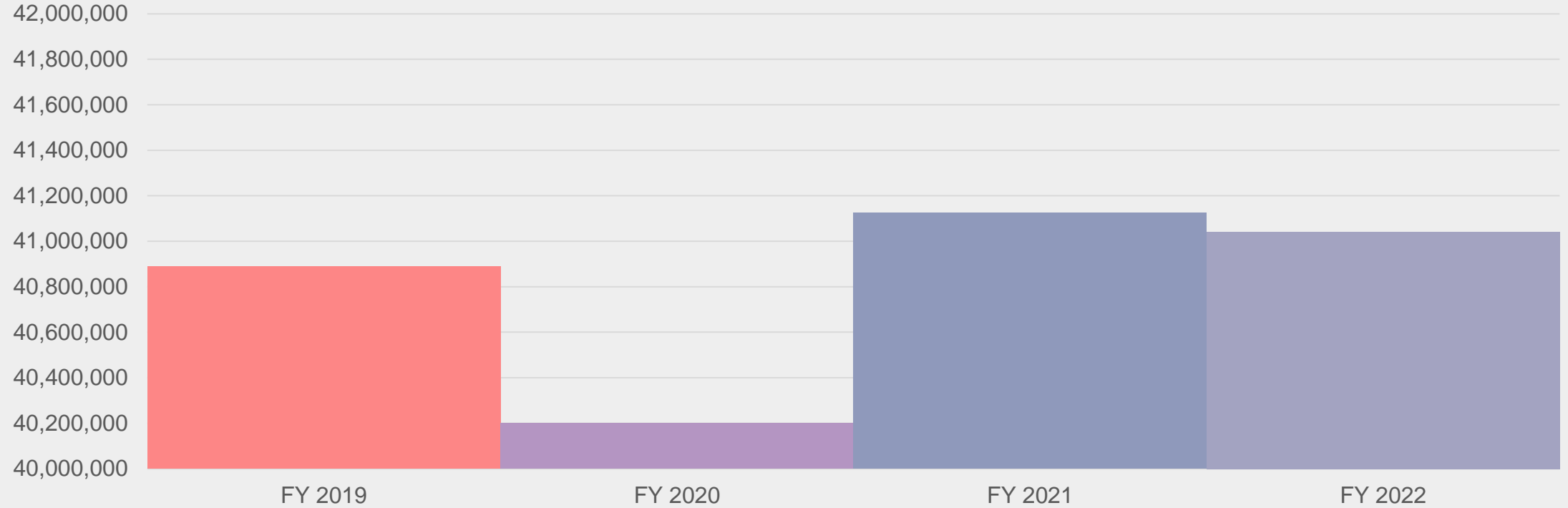
Total Cumulative Federal Funds Authorized, CACFP Audit



CACFP Audit Funds Authorized

CACFP Audit Funds Expended

Total Fed Outlays CACFP Audit



State Administrative Funds (SAF)



SAF: Lifespan and Carryover

1-year
funds

No
carryover



MAP Requirements

7 CFR 225.4(d)

1. Administrative budget
2. Use of Program funds and State funds
3. Technical assistance and training plans
4. Plans for monitoring and inspection
5. Action plan against Program violators
6. Plan for ensuring fiscal integrity
7. Plan for compliance with the food service management company procurement monitoring requirements
8. Estimate of health inspection funds needed
9. Non-congregate feeding plans

Checklist

<input checked="" type="checkbox"/>	_____
<input checked="" type="checkbox"/>	_____
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<input checked="" type="checkbox"/>	_____
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<input checked="" type="checkbox"/>	_____

A red pushpin is prominently placed on a map, with its sharp point resting on the surface. In the background, several other pushpins in various colors (blue, yellow) are visible but out of focus. The map shows geographical features like roads and rivers. A semi-transparent purple banner is overlaid at the bottom of the image.

Management Administrative Plans (MAPs)

SAF Formula:

Richard B. Russell National School Lunch Act Section 13(k)(1) and
7 CFR 225.5(a)

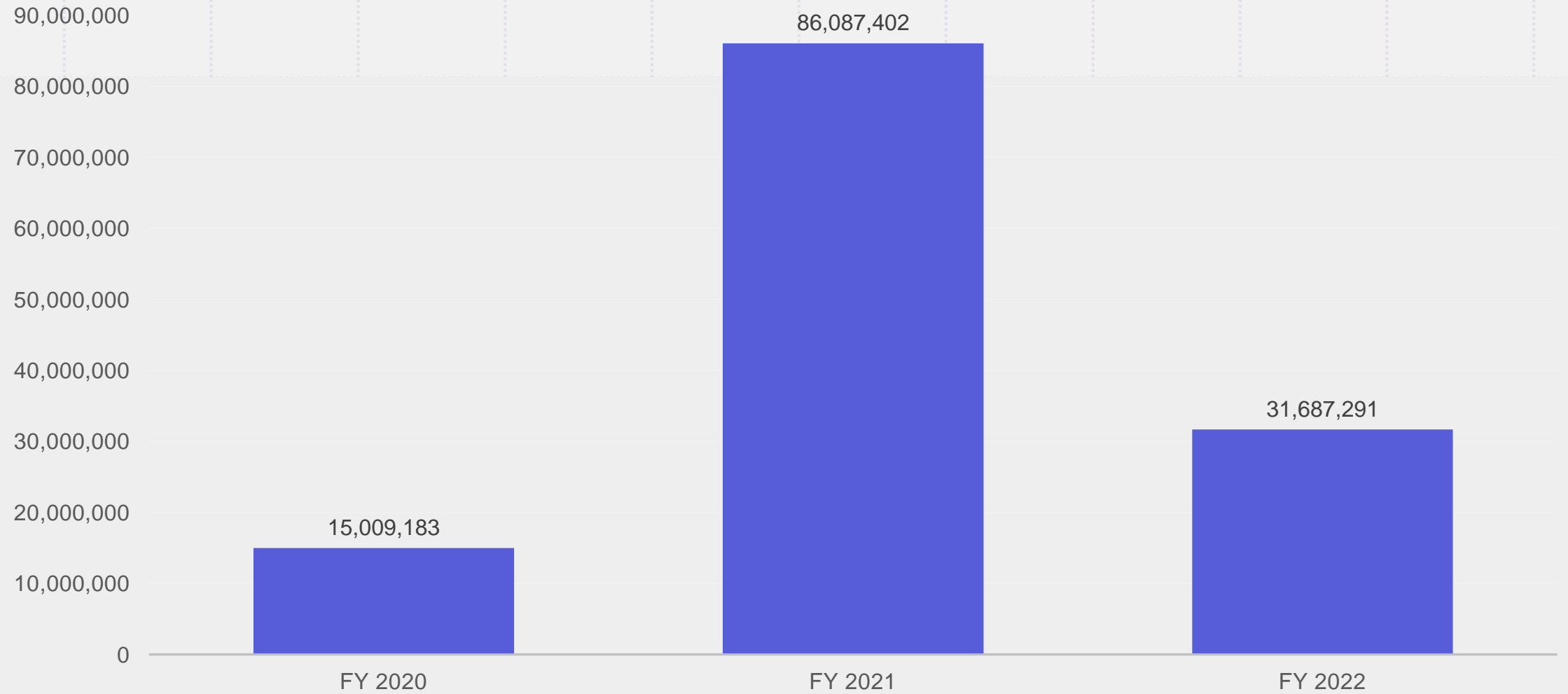
- \$ 20% of the first \$50,000
- \$ 10% of the next \$100,000
- \$ 5% of the next \$250,000
- \$ 2 ½% of any remaining

Of “program funds properly payable to the State in
the preceding fiscal year”

SAF Formula Flexibility

FNS may make *appropriate* adjustments in the level of State administrative funds to reflect changes in Program size from the preceding fiscal year as *evidenced* by information submitted in the State Program management and administration plan and any other information available to FNS.

SAF Approved Amounts



It's

SUMMER

SAF for SFSP

Time

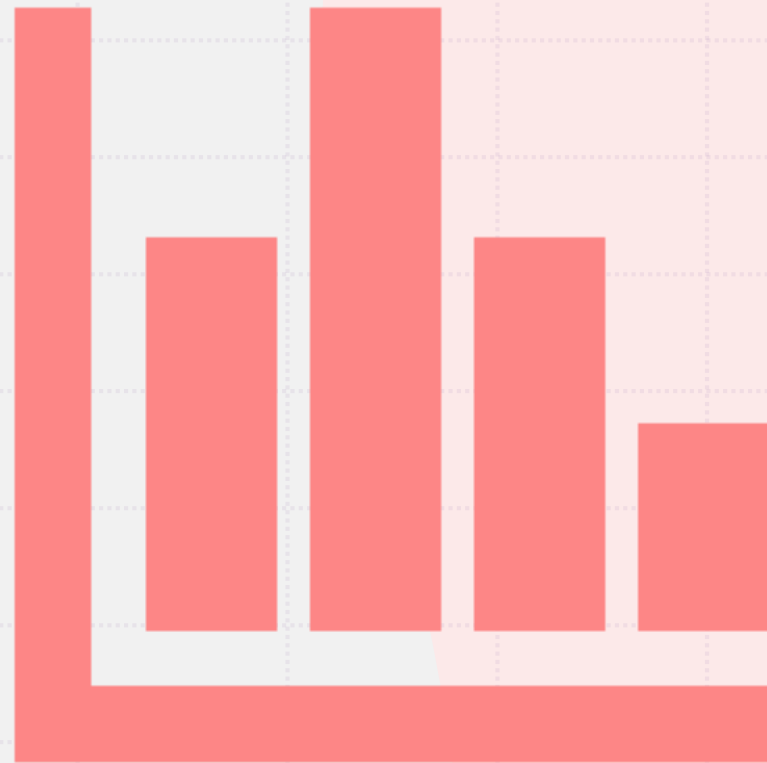
Allowable Costs

- \$ Salaries
- \$ Benefits
- \$ Travel and State agency monitoring
- \$ Training
- \$ Technical Assistance
- \$ Other administrative expenses approved in the MAP



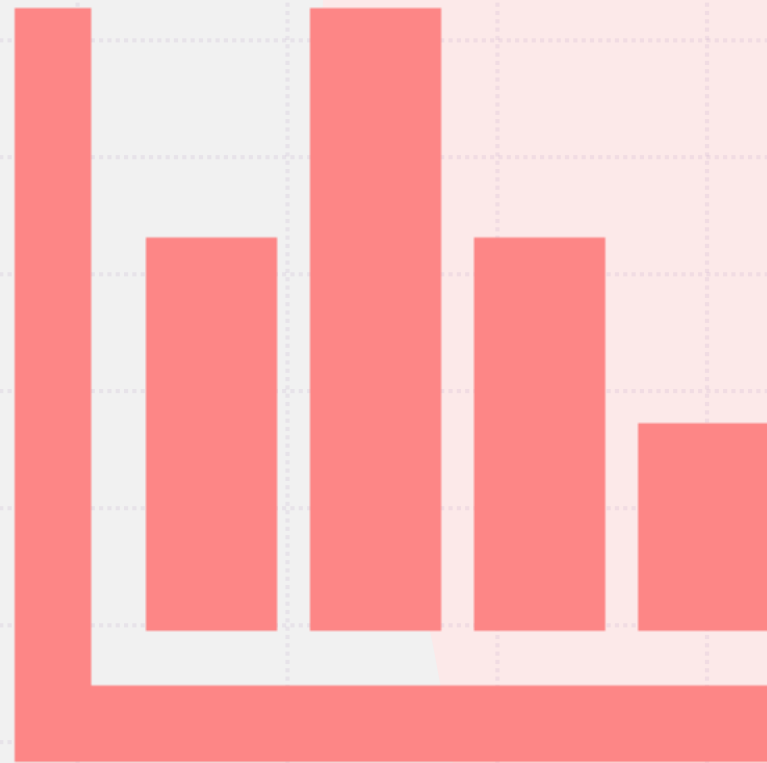
Poll

What is your SA's most unique SAF expense?



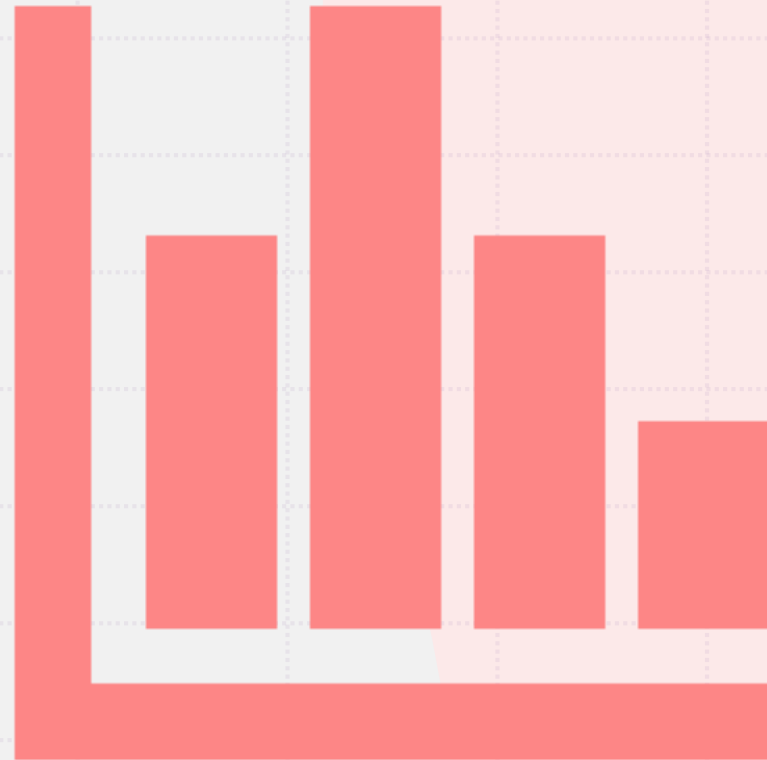
Poll

What SAF expenses does your SA charge related to non-congregate meals?



Poll

What marketing or outreach expenses has your SA considered charging to SAF?



A photograph of several young children sitting at a table, eating a meal. The children are smiling and looking towards the camera. The table is set with plates of food, including what appears to be fried chicken, rice, and vegetables. There are also colorful plastic cups on the table. The background is slightly blurred, showing more children and a bright, indoor setting.

New! Summer EBT

Introduction to Summer EBT

The Consolidated Appropriations Act, 2023 (P.L 117-328) authorized a permanent, nationwide Summer Electronic Benefit Transfer (Summer EBT) Program beginning in 2024.

Summer EBT provides benefits to children who lose access to free and reduced-price meals during the summer when school is not in session.

Summer EBT benefits are provided on EBT cards which can be used to purchase food from approved retailers.

The Summer EBT program can be administered by States and by Indian Tribal Organizations (ITOs) that operate the WIC program.

The general term “Summer EBT agency” is used to refer both State agencies and ITOs operating the program.

Summer EBT Administrative Funding

- FNS is authorized to pay each Summer EBT agency an amount equal to 50 percent of the administrative expenses incurred in operating the program up to their approved FNS-366A level.
- Each Summer EBT agency in direct receipt of a Summer EBT administrative grant will be responsible for providing the required 50 percent match.
- For complete details on Summer EBT administrative funding, check out [SEBT 01-2023 Administrative Funding Process for 2024](#).

Administrative Funding Requests

- Summer EBT agencies request funding through submission of the annual **Plan for Operations and Management (i.e. POM)** and accompanying **FNS-366A Expenditure Plan**.
- **Interim POM** is due as soon as practicable in FY2024 (and by August 15 for FY2025 and beyond).
- **Final POM** is due by February 15 each
- An approved POM and FNS-366A will establish the Summer EBT agency's available administrative funding level for the fiscal year.
- Summer EBT agencies will have the opportunity to revise their FNS-366A throughout the operational year and increases for well-documented costs will be considered, subject to available funds.

FY 2024 Administrative Funding

- FNS is providing an initial allocation of FY 2024 Summer EBT administrative funds upon receipt of:
 - A **notice of intent (NOI)** to administer the program in 2024, and
 - An **affirmative statement** indicating that funding has been identified and is available to the Summer EBT agency to meet the required 50 percent match.
- The POM and FNS-366A are not needed to draw funds against the initial allocation, but must be submitted and approved before any additional administrative funds will be released.
- Regional offices will inform each Summer EBT agency of the initial funding amount available to them once the NOI and affirmative statements are received.

Other Key Requirements

- Summer EBT agencies may only draw **50 percent** funding for expenses that have already been incurred
- If more than one agency within a State is involved in the administration of Summer EBT, both agencies may receive administrative grants.
- Summer EBT administrative funding grants will have a one-year period of performance, from October 1 to September 30 (including in FY2024).
- Allowable administrative costs for Summer EBT administrative funds are to operate the Summer EBT at the State, ITO, and local levels.
- FY2024 Summer EBT administrative funds may be used to cover planning costs for FY2025 operations, but only after an FY2025 interim POM and FNS-366A have been approved.

Other Key Requirements

- Summer EBT is distinct from other FNS programs, therefore, Summer EBT agencies may not use Federal funds intended for other programs (e.g., SNAP, WIC, National School Lunch Program/School Breakfast Program, etc.) for Summer EBT expenses.
- As a reminder, Child Nutrition State administrative expense funds may not be used to support Summer EBT costs in FY 2024 and beyond.



SCAN ME

Summer EBT

Summer EBT Implementation Toolkit

PROGRAMS > SUMMER EBT > STATE AGENCY/TRIBAL ORGANIZATION/TERRITORY > SUMMER EBT IMPLEMENTATION TOOLKIT

State Agency/Tribal Organization/Territory

Summer EBT Implementation Toolkit

Summer EBT Reporting Submission Requirements

Summer EBT Notice of Intent Template

Summer EBT 2024 Interim Plan for Operations & Management Template



As a nation, we have the opportunity to dramatically reduce childhood hunger during the summer months, which are the hungriest time of year for students who miss the meals offered during the school year. Summer EBT helps address summer hunger among children beginning in the summer of 2024.

The following documents serve as a resource to assist states, tribal organizations, and territories in preparing to implement Summer EBT in 2024.

[Summer EBT Reporting Submission Requirements](#)

This table provides an introductory timeline of submission requirements to operate Summer EBT in 2024.

[Summer EBT Notice of Intent](#)

Each state, territory, and tribal organization that intends to operate the Summer EBT Program must notify the Secretary by Jan. 1 of each year of its intent to do so.