



United States  
Department of  
Agriculture

Food and  
Nutrition  
Service

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Alexandria, VA  
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DATE: February 25, 2015

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SUBJECT: Assessing Costs in the Summer Food Service Program

TO: Regional Directors  
Special Nutrition Programs  
Financial Management  
All Regions

State Directors  
Child Nutrition Programs  
All States

The attached tip sheet on “Assessing Costs in the Summer Food Service Program (SFSP)” provides guidance on the process State agencies and sponsors should use when considering proposed uses of the nonprofit food service account funds for SFSP-related costs.

State agencies and sponsors have the discretion to determine the allow-ability of sponsors to use nonprofit food service account funds to pay for costs following cost principle guidelines. In determining what proposed costs and related activities may be supported by the nonprofit food service account, a sponsor and State agency should assess the allow-ability of costs by considering the activity’s impact in supporting the operation and/or improvement of the SFSP. In doing so, a sponsor and State agency must consider whether the proposed cost is reasonable, necessary, and allocable in accordance with 2 CFR Part 200 “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart E – Cost Principles”.

The cost principles serve an extremely important function in considering proposed costs and assisting program operators in better understanding how nonprofit food service account funds are being used. The cost principles must be used for the purpose of cost determination and are not intended to dictate the extent of financial assistance for a particular cost objective.

Program operators should direct questions regarding this memorandum to the appropriate State agency. State agencies should direct questions to the appropriate Food and Nutrition Service Regional Office.

Sarah Smith-Holmes  
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Child Nutrition Programs

Attachment