



United States
Department of
Agriculture

Food and
Nutrition
Service

3101 Park
Center Drive
Alexandria, VA
22302-1500

DATE: September 2, 2010

MEMO CODE: SP – 32, 2010

SUBJECT: Fiscal Year (FY) 2010 National School Lunch Program (NSLP)
Equipment Assistance Grants Update on the “Legislative Fix” Issue

TO: Regional Directors
Child Nutrition Programs
All Regions

State Directors
Child Nutrition Programs
All States

On February 24, 2010, memorandum SP-19-2010, “Clarification on Legislative Requirements of FY 2010 National School Lunch Program (NSLP) Equipment Assistance Grants for School Food Authorities (SFA)” provided guidance to State agencies (SA) on options available to accept their portion of the FY 2010 NSLP Equipment funding. The options outlined in SP-19-2010 were established given that Congress is working on a resolution to extend eligibility for these grants to SFAs that received funding under the American Recovery and Reinvestment Act (ARRA).

This memorandum clarifies the necessary actions Food and Nutrition Service (FNS) must take to ensure SAs have access to the funds allocated to them without any risk or disruption as FY 2010 draws to an end. Due to the “Legislative Fix” Issue, SAs have fallen under one of the three following categories:

1. The SA accepted the funds prior to April 3, 2010. Since SAs are required to award the grants to SFAs within 180 days of receipt, these grant awards must be made prior to September 30, 2010.
2. The SA accepted the funds after April 3, 2010, and prior to September 30, 2010. For these SAs, the 180 day period would extend into FY 2011; therefore, FNS is extending the grant performance period until September 30, 2011. Thus, SAs will have the authority to make grant awards in FY 2011, but these awards must be made within the 180 day period required by the legislation.
3. The SA chose to delay acceptance of the funds until after Congress issues a decision on the “Legislative Fix” Issue. For these SAs, FNS is using its reallocation authority in Section 749 to carry these funds into FY 2011 and make new obligations to the States.

For each of the categories above, FNS is extending the grants performance period until September 30, 2011, to maintain consistency with all States closing out on the same time frame. Otherwise, some States would have their grants closed out at the end of FY 2010, while others would close at the end of FY 2011. Upon receipt, SFAs have one year to complete all procurement activities.

For SAs within Category 3, FNS will work to ensure that the States will have access to their portion of the funding at the time that meets the needs of the State. The obligation of funds in FY 2011 will be tracked in the Federal Programs Reporting System (FPRS) as FY 2010 funds since these NSLP equipment grant funds were appropriated in FY 2010.

FPRS is set up for a three year period; however, SAs do have the ability to submit a final report prior to the end of the three year period. SAs must continue to submit quarterly reports in accordance with the grant award's terms and conditions until the following events have occurred:

1. SFAs have fully liquidated their grant awards or the SFA's period to perform has lapsed;
or
2. The award has been de-obligated, terminated, or cancelled.

Child Nutrition Division appreciates the patience and cooperation of the SAs and Regional offices regarding this matter. SAs with questions regarding this memo should contact their Regional Offices. Regional Office questions should be directed to Lynn Rodgers-Kuperman.

Original Signed

Cynthia Long
Director
Child Nutrition Division