



**MEMO CODE:** SP 09-2009

**DATE:** January 15, 2009

**SUBJECT:** Competitive Procurement and Private Grants for School Food Programs

**TO:** Regional Directors  
Special Nutrition Programs  
All Regions

State Directors  
Child Nutrition Programs  
All States

It has been brought to our attention that some school districts may be applying for or participating in grant programs aimed at assisting schools with start-up and/or expansion, especially of the School Breakfast (SBP) and Summer Food Service Program (SFSP). The foundations sponsoring the grants are associated with companies that provide goods and services to the school meals programs. Review of these grant programs revealed that at least some contain a mandatory purchasing component, requiring recipients to purchase and use a vendor's specified product for a stipulated amount of time.

This memorandum serves to remind school food authorities (SFAs) that they must comply with the requirements in 7 CFR 210.21, 220.16, and 225.17, as well as the requirements in 7 CFR 3016.36 and 3019.40-48 requiring that procurements are conducted in a competitive manner.

Due to the proprietary purchasing requirements imposed by these grant programs, an SFA would be unable to participate in the grant while adhering to all required program regulations, specifically those addressing procurement activities. SFAs that have already received such a grant must take immediate steps to either curtail the grant or to ensure that all purchases made as a result of the grant requirements come only from non-program funding sources. The SFA may not go forward with the grant purchasing requirements using nonprofit school foodservice account funds.

We are requesting that State agencies inform FNS, through their Regional Office, of any such grants awarded or pending in their state. Please contact your Regional Office with any questions.

**Original Signed**

CYNTHIA LONG  
Director  
Child Nutrition Division