



**United States
Department of
Agriculture**

Food and
Nutrition
Service

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Alexandria, VA
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DATE: October 27, 2010

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SUBJECT: Use of State Administrative Expense (SAE) Funds in the
Fresh Fruit and Vegetable Program (FFVP)

TO: Regional Directors
Child Nutrition Programs
All Regions

State Directors
Child Nutrition Programs
All States

We have received several questions regarding the use of a State agency's (SA) SAE funds for the administration of the FFVP. The purpose of this memorandum is to clarify that SAE funds may be used for SA administration of the FFVP, as well as to explain how the FFVP administrative funds provided under Section 19 of the Richard B. Russell National School Lunch Act, 42 USC 1769a, may be used.

The use of SAE funds for the FFVP must be in accordance with Section 7 of the Child Nutrition Act of 1966, 42 USC 1776, and the regulations at 7 CFR Part 235, *State Administrative Expense Funds*. Additionally, guidelines for the use of SAE funds are provided in FNS Instruction 781-2, *Child Nutrition State Administrative Expense Funds*. Pursuant to those authorities, a SA administering the FFVP may choose to provide all FFVP funds to the participating schools for purchasing fruits and vegetables to be used in the Program. The SA could then use a portion of its SAE funds for training or other state administrative activities implementing the FFVP. Alternatively a SA could use both SAE and its FFVP administrative funds for Program administration. We anticipate that SAE funds used by a SA for the FFVP would represent a small portion of the SA's total annual SAE funding, given that the FFVP is smaller than other USDA School Nutrition Programs implemented with SAE funds.

If a State chooses to utilize FFVP funds for program administration as permitted under section 19(i)(6)(B), the funds must be calculated as the lesser of 1) five percent of the SA's annual FFVP allocation (as determined by the Secretary) or 2) the amount required to pay the cost of one full-time coordinator for the FFVP in the State. The FFVP funds must also be used according to the Program's statutory and regulatory authorities and using the same guidelines and principals as applicable to the use of SAE funds.

Since this is a substantive change to the SAE Plan, a SA choosing to use SAE funds for administration of its FFVP must submit an amendment to the SAE Plan to FNS for approval prior to using SAE funding for the FFVP.

If the State Agency has any questions on this memo, they should contact their regional office. If the regional office has a question, please contact Mara McElmurray or Bill Wagoner.

Original Signed

Cindy Long
Director
Child Nutrition Programs