



United States
Department of
Agriculture

Food and
Nutrition
Service

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SUBJECT: Additional Guidance on Use of Administrative Funds for State Costs of Implementation of New Meal Patterns for the National School Lunch Program and School Breakfast Program

TO: Regional Directors
Special Nutrition Programs
All Regions

State Directors
Child Nutrition Programs
All States

This memorandum is intended to supplement memorandum SP 07-2012, dated December 29, 2011, *Allocation of Administrative Funds for State Costs of Implementation of New Meal Patterns for the National School Lunch Program and School Breakfast Program*. Specifically, this memorandum provides additional information on allowable uses of the funds provided to State agencies under Section 201 of the Healthy, Hunger-Free Kids Act of 2010 (the Act).

These administrative funds are made available to States for State-level activities related to training, technical assistance, certification, and oversight activities associated with the implementation of the new meal patterns and nutrient standards, and the performance-based reimbursement increase as outlined in Section 201 of the Act. We have been asked whether State agencies may provide any of the Section 201 funds directly to school food authorities (SFAs) for implementation activities. There is some flexibility for SFAs to use these funds, provided the SFAs are performing a function related to a State activity. We expect this will most likely occur in the realm of training. State agencies may use Section 201 funds to develop and disseminate training programs to assist SFAs in achieving compliance with the new meal pattern requirements. In addition, within the framework of supporting a State-approved training and technical assistance program or initiative, the State agency may provide funds to SFAs to carry out the training program within the SFA. This could include:

- costs associated with SFA-developed training materials and State approval of those materials to assist SFAs in achieving compliance with the new meal patterns;
- costs associated with disseminating State or SFA-developed training and guidance materials to local level foodservice staff; and
- SFA costs (travel and other) associated with training local level foodservice staff.

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For example, if the State agency develops a presentation and training tools on the implementation of the new meal patterns or approves SFA-developed training materials, the State agency may use the funds to pay for the materials developed for the training program and the travel costs for SFA staff to conduct the training sessions.

Per 2 CFR 225, Appendix B, Subsection 15, in no case may the funds be used for the procurement of equipment for SFAs (i.e., foodservice equipment, such as salad bars, convection ovens, steamers, etc.), either by the State agency or the SFA.

Although Section 201 funds were allocated based on the State Administrative Expense (SAE) funding formula and the parameters of use appear similar to SAE funds, please keep in mind that these are two separate funding sources. The flexibilities described above with regards to training and technical assistance for SFAs are limited to the Section 201 funds and do not extend to the allowable uses of SAE funds. The Food and Nutrition Service (FNS) encourages State agencies to fully expend Section 201 funding on activities relating to the implementation of the new meal pattern requirements prior to using their SAE funding for this purpose, as Section 201 funds are not available for future reallocation.

State agencies should direct any questions concerning this guidance to the appropriate FNS Regional Office. Regional Offices with questions should contact the Child Nutrition Division.

Original Signed

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