



DATE: April 2, 2013

MEMO CODE: SP 33 - 2013

SUBJECT: Fresh Fruit and Vegetable Program (FFVP): Allocation of Funds for School Year (SY) 2013/2014

TO: Regional Directors
Special Nutrition Programs
All Regions

State Directors
School Nutrition Programs
All States

The *Fresh Fruit and Vegetable Program*, under Section 19 of the Richard B. Russell National School Lunch Act (NSLA), has been a nationwide program since 2008 and operates in selected elementary schools in the 50 States, the District of Columbia, Guam, Puerto Rico, and the Virgin Islands.

The purpose of this memorandum is to provide funding allocation amounts for all State agencies (SAs) for SY 2013/2014; to provide information on funding requirements and deadlines; and to serve as a reminder of important program requirements.

Allocation of Funds to SAs

The FFVP is funded by two sources: a transfer from the Agricultural Marketing Service and prior year funds. Prior to SY 2012/2013, the amount of the transfer was specified in the NSLA. Beginning in SY 2012/2013, the amount of the transfer equals the prior year transfer adjusted for inflation. The adjusted transfer, combined with prior year funds, result in a total SY 2013/2014 allocation of \$165.5 million.

As in the previous year, allocations of FFVP funds are made on a school year basis, and funds will be provided on a fiscal year basis through two distributions: on or about July 1 and October 1, 2013.

Per Section 19, the funding formula is as follows: (1) all 50 States and the District of Columbia will receive an annual grant equal to one percent of the funds made available; and (2) Food Nutrition Service (FNS) will allocate the remaining funds to all 50 States, the District of Columbia, Guam, Puerto Rico and the Virgin Islands based on the proportion of the population to the U.S. population. All funds are allocated using this formula.¹ Please refer to the Attachment for the total of FFVP funds available for each State. The attachment also includes each State's maximum July allocation.

¹ Per Section 19 of the NSLA, FNS has retained \$500,000 for the administrative costs of carrying out the FFVP.

July Allocation

This year a total of \$29 million is available to the States for the July allocation. In an effort to help SAs effectively administer the FFVP, FNS is asking each SA to determine the amount of funding needed to initiate and operate its FFVP during the first quarter of SY 2013/2014; this amount will be the SA's July allocation and will be available for obligations made from July 1 through September 30, 2013. We anticipate that providing each SA the flexibility to estimate the amount of funds it needs during the first quarter of the school year will reduce the amount of unobligated funds at the end of the fiscal year.

Therefore, each SA must notify its respective FNS Regional Office (RO) by June 3, 2013, of the amount the SA wishes to receive for its July allocation. The SA will receive these funds on or about July 1, 2013. ROs must report SAs' July allocation requests to Headquarters (HQ) Financial Management (FM) by June 10, 2013. A request for more than the available amount of the State's total grant award for the first quarter of SY 2013/2014 will require written justification and subsequent approval from FNS.

Here are a few considerations for SAs when deciding their July allocation request:

- All participating schools, including new schools, should be operational when classes resume for the school year. Therefore, the estimate should include all necessary expenses for schools to initiate the FFVP; i.e., ordering produce for delivery in August and September and any equipment to support program operations.
- SAs may want to consider including a portion of their administrative funds in their first quarter estimate.

To ensure that States are provided every opportunity to expend their allocation, and as allowed in previous school years, if a State returns unobligated FFVP funds from the July allocation to FNS-HQ prior to the end of September, those returned funds will be added to the October allocation. Unobligated funds that are not returned to FNS-HQ prior to Friday, September 20, 2013, will be recovered by FNS during normal closeout activities. These funds will no longer be available for SY 2013/2014, but will be made available for future program operations.

RO-FM staff should be able to track the transactions by Program Cost Account (PCA) at the regional level. Since regional FM personnel handle letter of credit (LOC) transactions with States, SAs should notify their FM contacts in the regions of any balances to be returned. States may also want to consider copying regional program staff and HQ staff for continuity. States must provide their balances to be returned to RO-FM no later than September 17, 2013, and the RO in turn must provide this information to HQ-FM no later than September 20, 2013. These deadlines will allow sufficient time for each SA's return to be processed so that it may be included in the October allocation.

October Allocation

The second allocation will be made on or about October 1, 2013. Schools can obligate the October funds through June 30, 2014. SAs may continue to obligate these funds for State administrative costs through September 30, 2014.

The October allocation will be the remainder of the SA's total grant for the school year, including any unobligated funds from the July allocation that a State returned prior to the

end of the fiscal year. The October allocation will not include any funds recovered by FNS from the July allocation; those funds will be available for future program operations.

Funds for State Administrative Costs

Section 19 permits SAs to retain a portion of their total FFVP grant allocation for State administrative costs. The amount of funds retained for State administrative costs is the lesser of: (1) five percent of the SA's total grant for the year; or (2) the amount required to pay the costs of one full-time coordinator for the FFVP in the SA. Each SA should identify the appropriate level and resulting salary for a FFVP coordinator within the SA personnel structure. As a reminder, this provision serves to assist SAs in determining the FFVP administrative funds they can retain from their total grant and does not require SAs to employ a coordinator for the FFVP.

The amount retained for State administrative costs must be determined up-front, since SAs must subtract funds used for State administrative costs prior to making school selections and determining school allocations. State administrative funds are subject to the same cost accountability and management principles applied to State Administrative Expense funds.

SAs can determine from which of the two allocations and how much, if any, of the funds they will retain for administrative expenses. SAs taking the entire portion of administrative funds in the July allocation must obligate these funds by September 30, 2013.

General Program Reminders

- The requirements in the law for school selection are very prescriptive and require that schools with the highest level of free and reduced price enrollment receive priority in selection. For more detailed information regarding school targeting, outreach to needy schools and the application process, please refer to FNS memorandum dated December 1, 2009, SP-10-2010, titled *Fresh Fruit and Vegetable Program (FFVP) Targeted School Selection and Outreach Process*. See also the manual *Fresh Fruit and Vegetable Program: A Handbook for Schools*, found at: <http://www.fns.usda.gov/cnd/FFVP/handbook.pdf>
- As stated in Section 19 of the NSLA, since SY 2010/2011 only elementary schools have been eligible to participate in the FFVP. Secondary schools are not allowed to participate.
- Total enrollment of all schools selected by the SA must result in a per-student allocation of \$50 to \$75 per year.
- The application process must be conducted yearly, however returning schools do not have to submit a new application each year; instead they are permitted to update their application on file, at the discretion of the SA.
- As stated earlier, all schools should be operating the FFVP as soon as the new school year begins. Therefore, SAs are strongly encouraged to select their schools before the current school year ends.

The following table provides some key FFVP dates.

Key Dates to Remember	
No later than June 30, 2013	SAs select all SY 2013/2014 FFVP participating schools (recommended)
June 3, 2013	SAs report July 2013 funding requirement to RO-FM
June 10, 2013	ROs report SA funding requirements to HQ-FM
July 1, 2013	SAs receive 1 st allocation for SY 2013/2014; schools can no longer obligate funds received in the October 2012 allocation for SY 2012/2013
Sept. 17, 2013	States must notify RO-FM of any July allocation balances to be returned
Sept. 20, 2013	RO must provide July allocation return totals to HQ-FM
Sept. 30, 2013	Last day on which July allocation funds can be obligated (any unobligated funds will be recovered during closeout)
Oct. 1, 2013	SAs receive 2 nd allocation for SY 2013/2014
Dec. 31, 2013	Closeout for FY 2013 funds; SAs submit final SF-425 via FPRS
June 30, 2014	<u>Schools</u> can obligate all 2 nd allocation funds up to this date
Sept. 30, 2014	<u>SAs</u> can obligate all 2 nd allocation funds up to this date

SAs with questions regarding FFVP should contact their respective Regional Offices.

Original Signed

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 Acting Director
 Child Nutrition Division

Attachment

State	Proposed Total FFVP per state allocation for SY13-14, based on approximately \$165.5 million available	Maximum July Allocation (based on \$29 million available)
Alabama	\$2,894,303	\$507,159
Alaska	\$1,839,151	\$322,268
Arizona	\$3,312,339	\$580,410
Arkansas	\$2,411,047	\$422,480
California	\$11,314,305	\$1,982,567
Colorado	\$2,958,983	\$518,493
Connecticut	\$2,581,701	\$452,383
Delaware	\$1,887,819	\$330,796
District of Columbia	\$1,811,016	\$317,338
Florida	\$6,529,854	\$1,144,204
Georgia	\$4,166,841	\$730,141
Hawaii	\$2,007,702	\$351,803
Idaho	\$2,061,447	\$361,220
Illinois	\$4,981,761	\$872,937
Indiana	\$3,336,137	\$584,580
Iowa	\$2,444,867	\$428,406
Kansas	\$2,394,764	\$419,626
Kentucky	\$2,780,123	\$487,151
Louisiana	\$2,830,425	\$495,966
Maine	\$1,999,421	\$350,352
Maryland	\$3,151,982	\$552,311
Massachusetts	\$3,352,687	\$587,480
Michigan	\$4,217,657	\$739,046
Minnesota	\$3,030,216	\$530,974
Mississippi	\$2,424,369	\$424,814
Missouri	\$3,207,825	\$562,096
Montana	\$1,911,538	\$334,952
Nebraska	\$2,128,539	\$372,977
Nevada	\$2,355,206	\$412,695
New Hampshire	\$1,996,338	\$349,811
New Jersey	\$3,934,586	\$689,444
New Mexico	\$2,188,909	\$383,555
New York	\$6,679,406	\$1,170,409
North Carolina	\$4,127,386	\$723,228
North Dakota	\$1,829,391	\$320,558
Ohio	\$4,646,216	\$814,141
Oklahoma	\$2,627,660	\$460,436
Oregon	\$2,648,331	\$464,058
Pennsylvania	\$4,948,507	\$867,110
Rhode Island	\$1,927,912	\$337,822
South Carolina	\$2,854,277	\$500,145
South Dakota	\$1,866,103	\$326,991
Tennessee	\$3,300,435	\$578,324
Texas	\$8,174,808	\$1,432,444
Utah	\$2,371,627	\$415,572
Vermont	\$1,817,244	\$318,429
Virginia	\$3,729,527	\$653,512
Washington	\$3,398,557	\$595,517
West Virginia	\$2,135,449	\$374,187
Wisconsin	\$3,129,537	\$548,378
Wyoming	\$1,801,138	\$315,607
Puerto Rico	\$966,033	\$169,275
Guam	\$48,142	\$8,436
Virgin Islands	\$28,456	\$4,986
	\$165,500,000	\$29,000,000