



DATE: April 16, 2014

MEMO CODE: SP 34- 2014

SUBJECT: Fresh Fruit and Vegetable Program (FFVP):
Allocation of Funds for School Year (SY) 2014-2015

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 for SY 2014-2015; to provide information on funding requirements and deadlines; and to serve as a reminder of important program requirements.

Allocation of Funds to State Agencies

For SY 2014-2015, the total amount of funding available to State agencies is \$174.5 million, which is comprised of the prior year base amount adjusted for inflation and carryover funds from last year. 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, 2014. Per Section 19 of the NSLA, the USDA Food and Nutrition Service (FNS) will apply the following allocation formula for FFVP funding:

- 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) Remaining funds will be allocated to all 50 States, the District of Columbia, Guam, Puerto Rico and the Virgin Islands based on the proportion of the State 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 \$43 million is available to the States for the July allocation. In an effort to help State agencies effectively administer the FFVP, FNS is asking each State agency to determine the amount of funding needed to initiate and operate its FFVP during the first quarter of SY 2014-2015; this amount will be the State agency's July allocation and will be available for obligations made from July 1 through September 30, 2014. We anticipate that providing each State agency 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 State agency must notify its respective FNS Regional Office (RO) by June 2, 2014, of the amount the State agency wishes to receive for its July allocation. The State agency will receive these funds on or about July 1, 2014. ROs must report State agencies' July allocation requests to Headquarters (HQ) Financial Management (FM) by June 9, 2014. A request for more than the available amount of the State's total grant award for the first quarter of SY 2014-2015 will require written justification and subsequent approval from FNS.

Here are a few considerations for State agencies 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.
- State agencies 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, 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 19, 2014, will be recovered by FNS during normal closeout activities. These funds will no longer be available for SY 2014-2015, 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, State agencies 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 16, 2014, and the RO in turn must provide this information to HQ-FM no later than September 19, 2014. These deadlines will allow sufficient time for each State agency'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, 2014. Schools can obligate the October funds through June 30, 2015. State agencies may continue to obligate these funds for State administrative costs through September 30, 2015.

The October allocation will be the remainder of the State agency'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 State agencies 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 State agency's total grant for the year; or (2) the amount required to pay the costs of one full-time coordinator for the FFVP. Each State agency should identify the appropriate level and resulting salary for a FFVP coordinator within the State agency personnel structure. As a reminder, this provision serves to assist State agencies in determining the FFVP administrative funds they can retain from their total grant and does not require State agencies to employ a coordinator for the FFVP.

The amount retained for State administrative costs must be determined up-front, since State agencies 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.

State agencies can determine from which of the two allocations and how much, if any, of the funds they will retain for administrative expenses. State agencies taking the entire portion of administrative funds in the July allocation must obligate these funds by September 30, 2014.

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 SP 10-2010, *Fresh Fruit and Vegetable Program (FFVP) Targeted School Selection and Outreach Process* (December 1, 2009). See also the manual *Fresh Fruit and Vegetable Program: A Handbook for Schools*, found at: <http://www.fns.usda.gov/sites/default/files/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 State agency 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 State agency.
- As stated earlier, all schools should be operating the FFVP as soon as the new school year begins. Therefore, State agencies 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, 2014	State agencies select all SY 2014-2015 FFVP participating schools (recommended)
June 2, 2014	State agencies report July 2014 funding requirement to RO-FM
June 9, 2014	ROs report State agency funding requirements to HQ-FM
July 1, 2014	State agencies receive 1 st allocation for SY 2014-2015; schools can no longer obligate funds received in the October 2013 allocation for SY 2013-2014
Sept. 16, 2014	States must notify RO-FM of any July allocation balances to be returned
Sept. 19, 2014	RO must provide July allocation return totals to HQ-FM
Sept. 30, 2014	Last day on which July allocation funds can be obligated (any unobligated funds will be recovered during closeout)
Oct. 1, 2014	State agencies receive 2 nd allocation for SY 2014-2015
Dec. 31, 2014	Closeout for FY 2014 funds; State agencies submit final SF-425 via FPRS
June 30, 2015	<u>Schools</u> can obligate all 2 nd allocation funds up to this date
Sept. 30, 2015	<u>State agencies</u> can obligate all 2 nd allocation funds up to this date

Regional Directors
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Please note that there is a separate request for applications for the FFVP pilot study for canned, frozen and dried fruits and vegetables. For more information, please see FNS's April 07, 2014 policy memo SP 33-2014, titled *Fresh Fruit and Vegetable Program (FFVP): Pilot for Canned, Frozen and Dried Fruits and Vegetables – Request for Application Guidance and Procedures for Selection of States and Schools*. This memo can be found in the CN Community of the Partnerweb.

State agencies with questions regarding FFVP should contact their respective Regional Offices.

A handwritten signature in blue ink that reads "Cynthia Long". The signature is written in a cursive style with a large initial 'C' and a long, sweeping tail on the 'y'.

Cynthia Long
Deputy Administrator
Child Nutrition Programs

Attachment

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FFVP Allocations by State for School Year 2014-2015

State	Proposed Total FFVP per State allocation for SY 2014-2015, based on approximately \$174.5 million available	Maximum July Allocation based on \$43 million available
Alabama	\$3,036,549	\$748,261
Alaska	\$1,941,424	\$478,402
Arizona	\$3,515,605	\$866,309
Arkansas	\$2,535,731	\$624,851
California	\$11,987,280	\$2,953,886
Colorado	\$3,152,684	\$776,879
Connecticut	\$2,705,857	\$666,773
Delaware	\$1,992,356	\$490,953
District of Columbia	\$1,917,728	\$472,563
Florida	\$6,969,438	\$1,717,397
Georgia	\$4,414,863	\$1,087,903
Hawaii	\$2,120,157	\$522,446
Idaho	\$2,175,756	\$536,146
Illinois	\$5,187,050	\$1,278,184
Indiana	\$3,500,716	\$862,641
Iowa	\$2,570,745	\$633,479
Kansas	\$2,518,253	\$620,544
Kentucky	\$2,919,403	\$719,395
Louisiana	\$2,980,905	\$734,550
Maine	\$2,099,916	\$517,458
Maryland	\$3,329,153	\$820,364
Massachusetts	\$3,533,293	\$870,668
Michigan	\$4,389,066	\$1,081,546
Minnesota	\$3,193,302	\$786,888
Mississippi	\$2,544,237	\$626,947
Missouri	\$3,359,976	\$827,960
Montana	\$2,016,248	\$496,840
Nebraska	\$2,244,259	\$553,027
Nevada	\$2,490,512	\$613,708
New Hampshire	\$2,098,622	\$517,139
New Jersey	\$4,122,864	\$1,015,949

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FFVP Allocations by State for School Year 2014-2015

State	Proposed Total FFVP per State allocation for SY 2014-2015, based on approximately \$174.5 million available	Maximum July Allocation based on \$43 million available
New Mexico	\$2,302,179	\$567,299
New York	\$6,995,694	\$1,723,867
North Carolina	\$4,376,358	\$1,078,415
North Dakota	\$1,938,287	\$477,630
Ohio	\$4,836,669	\$1,191,844
Oklahoma	\$2,773,855	\$683,529
Oregon	\$2,795,096	\$688,763
Pennsylvania	\$5,158,103	\$1,271,051
Rhode Island	\$2,025,959	\$499,233
South Carolina	\$3,020,816	\$744,384
South Dakota	\$1,970,747	\$485,628
Tennessee	\$3,480,697	\$857,707
Texas	\$8,811,840	\$2,171,399
Utah	\$2,520,100	\$620,999
Vermont	\$1,912,433	\$471,259
Virginia	\$3,952,144	\$973,881
Washington	\$3,607,729	\$889,011
West Virginia	\$2,240,462	\$552,091
Wisconsin	\$3,279,428	\$808,111
Wyoming	\$1,900,684	\$468,363
Puerto Rico	\$965,935	\$238,024
Guam	\$42,852	\$10,560
Virgin Islands	\$27,985	\$6,896
TOTAL	\$174,500,000	\$43,000,000