

Supply Chain Assistance (SCA) Funding Questions and Answers

1. What are some examples of allowable and unallowable uses of the SCA funds?

SCA funds are available only to School Food Authorities (SFA) operating the National School Lunch Program (NSLP) and/or School Breakfast Program (SBP) to purchase **unprocessed or minimally processed domestic food products** for those programs. This includes the Seamless Summer Option (SSO) and NSLP Afterschool Snacks, as these are components of the NSLP.

A summary of allowable and unallowable uses of SCA funds is provided in the chart below:

Allowable Use of SCA Funds	Unallowable Use of SCA Funds
<p>Unprocessed or minimally processed domestic foods in a variety of minimal processing states and/or forms:</p> <ul style="list-style-type: none"> • whole, cut, pureed, etc. • fresh, frozen, canned, dried, etc. <p>Examples of allowable foods:</p> <ul style="list-style-type: none"> • fluid milk (unflavored and flavored) • Other dairy foods such as cheese and yogurt (unflavored and flavored) • fruits and vegetables (including 100% juices) • grain products such as pastas and rice • meats (whole, pieces, or food items such as ground meats) • meat alternates such as beans or legumes 	<p>Foods that are generally understood to be significantly processed or prepared:</p> <ul style="list-style-type: none"> • Pre-made/ready to eat foods: <ul style="list-style-type: none"> ○ pre-made pizza ○ chicken nuggets ○ breads, muffins, crackers ○ pre-packaged sandwiches ○ pre-packaged/ready to eat meals <p>Non-domestic food items</p> <ul style="list-style-type: none"> • the steps SFAs must take to ensure domesticity of food products purchased with SCA funds is consistent with the measures taken for all purchases in the school meal programs set under the Buy American provision, however, the limited exceptions provided under the NSLP Buy American provision may not be used since all products must be domestic.
<p>Non-food costs that are essential to the procurement of unprocessed or minimally processed domestic food products such as:</p> <ul style="list-style-type: none"> • Incidental costs (such as those related to shipping and handling or packaging) that are a part of the normal or customary purchase price charged by a vendor for any given food product 	<p>Cost of labor, supplies, administrative expenses, etc.</p>
	<p>Past expenditures</p>
	<p>Foods to be used in programs outside of the SBP or NSLP, or for purposes other than providing meals to children through the SBP or NSLP</p>

2. Is there any requirement that the SCA funds be limited to local foods?

No. SFAs are not required to purchase locally grown, raised, or caught foods with SCA funds. SFAs are encouraged to procure local foods whenever feasible, and SCA funds may help make purchasing from local producers an excellent option for addressing unexpected supply chain disruptions.

3. Will SCA funds be monitored as part of the school meals programs Administrative Review?

Yes. SCA funds will be monitored consistent with other school meal program funds through the existing oversight measures used in FNS reviews of State agencies and the school meal programs Administrative Review. In addition, use of funds may be subject to future external audit activity under any existing/standard auditing practices.

4. Are there procurement resources available?

Yes. Information on procurement and proper procurement practices can be found here:

- [Procurement Information | Child Nutrition | NYSED](#)
 - [Updates to the Federal Micro-Purchase Threshold in 2 CFR 200.320\(a\)\(1\)](#)
- [Options and Flexibilities in Response to Supply Chain Issues](#)
- [Farm to School Resources | Food and Nutrition Service \(usda.gov\)](#)
- [Farm to School Training & Guidance | Child Nutrition | NYSED](#)

5. Regulations at 7 CFR 210.21(d)(2)(A) allow for exemption from the Buy American requirement for SFAs in non-contiguous states and territories. Does this exemption apply to SFA's use of SCA funds?

No. The Buy American exemptions in Program regulations do not apply to procurements using SCA funds. SFAs in noncontiguous states and territories must use their SCA funds to purchase domestic unprocessed or minimally processed foods.

6. May SFAs use emergency procurement protocols to achieve to their purchasing goals?

As with all Child Nutrition Program purchases, SFAs are required to follow all federal and State procurement requirements and regulations. As a reminder, federal regulations at 2 CFR 200 includes the provision to allow the utilization of emergency noncompetitive procurements during a public emergency.

7. Can SFAs use SCA funds if they utilize contracts to procure vended meals and/or the services of a Food Service Management Company (FSMC), and are there any specific recordkeeping requirements that must be observed?

SFAs cannot pay vendors or FSMCs any amount above the negotiated contract price. SFAs can utilize SCA funds towards the negotiated contract price when the SFA is provided documentation from the vendor/FSMC of purchases of unprocessed/minimally processed food used in the performance of the contract. Due to the limitations regarding the types of food items that may be purchased with SCA funds, SFAs may request the FSMC or meal vendor to provide all invoices for milk purchases and utilize the SCA funds to pay that portion of the contracted bid price.

Financial Accounting, Reporting and Auditing, Section 22 of the FSMC contract, requires FSMC to make source documentation available to the SFA. FSMC cost documentation is not considered proprietary information.

8. Is the base allocation \$5,000 per site within each SFA, or \$5,000 per SFA regardless of the number of sites?

Each SFA will be allocated a base payment of \$5,000, regardless of the number of sites they serve.

9. May SCA funds be used to cover the cost of past (i.e. retroactive) expenditures?

No. SCA funds may not be used to cover the cost of past expenditures and may only be used for current/future expenses. This may include new obligations, or bills on prior unpaid obligations that come due following the SFA's receipt of SCA funds. An example of the latter would be an SFA that signed a purchasing contract for milk before the start of the school year that is paid for on a monthly basis. If SCA funds are received by the SFA on June 1, 2022, the SFA could pay invoices for milk that are due on or after that date.