



**THE STATE EDUCATION DEPARTMENT / THE UNIVERSITY OF THE
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Office of P-20 Education Policy

Child Nutrition Program Administration

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To: School Food Authorities

From: Child Nutrition Program Administration

Date:

Tuesday, April 12, 2022 **Subject:** Supply Chain Assistance Funds

The New York State Education Department (NYSED) will distribute \$59,455,807 in Supply Chain Assistance Funds (SCA) directly to eligible School Food Authorities (SFAs) to address supply chain disruptions brought on by the pandemic and support the purchase of food for school meals. These funds are made available through USDA's Commodity Credit Corporation.

Eligibility

To be eligible to receive funds, SFAs must currently operate the National School Lunch Program (NSLP) and/or School Breakfast Program (SBP), including SFAs operating the Seamless Summer Option (SSO) in the 2021-2022 school year under USDA flexibilities.

SFAs that do not currently operate the NSLP and/or SBP are not eligible for SCA funds.

Calculation of SFA Payment

NYSED will allocate SCA funds to eligible SFAs based on a USDA predetermined formula.

This allocation includes two components:

1. a base payment of \$5,000 to all eligible SFAs, and
2. an equally distributed amount to each eligible SFA based on the SFA's share of statewide student enrollment based on October 2021 lunch claims for reimbursement. For SFAs that began NSLP/SBP participation after October 2021, enrollment reported on the SFA's first lunch claim was used.

The base payment is intended to ensure that the smallest districts receive a meaningful level of funding. The proportional amount is intended to provide resources that scale with the size of the student population served by an SFA.

List of SCA fund allocations by SFA in [EXCEL](#) and [PDF](#).

Allowable Use of SCA Funds

SCA funds are intended to be used **exclusively** to purchase **unprocessed or minimally processed domestic food products** to help SFAs deal with challenges, such as unanticipated cancellation of food and supply contracts, reduced availability of certain

foods, unexpected substitution of certain products, unpredictable increases in food and supply prices, and other obstacles related to pricing and/or availability. SFAs are not required to but are encouraged to use the SCA funds to procure locally grown unprocessed or minimally processed food.

SCA funds are available only to SFAs operating the NSLP and/or SBP and may only be used by SFAs to purchase unprocessed or minimally processed domestic food products for those programs. This includes the SSO and NSLP Afterschool Snacks, as these are components of the NSLP. SCA funds may not be used for food purchases used in other Child Nutrition Programs (Special Milk Program, the Fresh Fruit and Vegetable Program, the Summer Food Service Program, Child and Adult Care Food Program).

Procurement

As with all Child Nutrition Program purchases, SFAs are required to follow all federal, State, and local 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.

All SFAs must notify NYSED of acceptance or rejection of SCA Funds via Child Nutrition Management System (CNMS) by June 15, 2022

All SFAs must complete the following steps:

1. Log into CNMS with your username and password
2. Click SFA Annual Information and then select 2021-2022 SY
3. Scroll down and select "Supply Chain Assistance Funds"
4. The next screen will display the total amount of SCA funding the SFA is entitled to receive.

SFAs must select one of the following three options:

1. Accept All Funds

- Select this option to indicate that the SFA wishes to receive the full amount of SCA funds noted at the top of the screen next to "SCA Amount".

2. Decline Funds

- Select this option only if the SFA does **NOT** want to receive any amount of SCA funding.
- *SFAs that decline the SCA funds will not have an opportunity to receive these funds later and will also not be eligible to receive SCA funding that is reallocated by NYSED.*

3. Accept Partial Funds

- Select this option if the SFA wishes to receive only part of their entitled SCA funding amount.
- When selecting this option, the SFA must enter the total amount of SCA funding the SFA wishes to accept in the box provided.

5. Review the attestation statement and click the "Attested" box. SFAs that chose to decline the funds do not have to complete this step.

6. Click "Update".

As supply chain issues are ongoing, NYSED encourages all SFAs to accept their full SCA fund payment. Although USDA has indicated the intent is to immediately utilize the funding to address supply chain issues, SCA funds may be deposited in the

nonprofit school food service account to utilize in the future.

Payments

Once the steps above are completed, the SCA payment will be made automatically to SFAs that chose to receive the full funding amount. For SFAs that chose to accept a partial funding amount, NYSED must review the requested amount prior to the payment being processed. All SCA payments are processed in the same manner as Child Nutrition program reimbursements. SCA funds must be deposited into the SFAs nonprofit school food service account and do not need to be separated from other monies within the account or tracked separately.

SFA Oversight Requirements

SFAs receiving SCA funding are required to maintain proper documentation on the procurement and purchasing of allowable food items. Documentation needed to support use of funds may include invoices, receipts, proof of domestic product, etc.

Reallocation of Funds

NYSED will initiate a reallocation of funds should SFAs decline their full calculated SCA fund payment and sufficient funds are available to reallocate funds to eligible SFAs within the prescribed USDA timeframe.

Only SFAs that accepted some or all of their initial allocated SCA funding amount will be considered eligible to receive reallocated funds. SFAs that declined SCA funds will not have an opportunity to receive funds at a later time or through reallocation.

NYSED will evaluate the total funding amount available to reallocate at the beginning of the 2022-2023 school year and notify SFAs of available funds in a separate communication.

Any SCA funds that NYSED reallocates are subject to the same requirements and limitations as described in this guidance and the guidance provided by USDA.

Please contact your CN representative or email CN@nysed.gov with any questions.