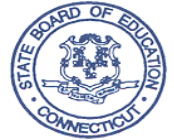




STATE OF CONNECTICUT
DEPARTMENT OF EDUCATION



TO: Sponsors of the National School Lunch and School Breakfast Programs

FROM: John Frassinelli, Chief
Bureau of Health/Nutrition, Family Services and Adult Education

DATE: December 4, 2014

SUBJECT: Operational Memorandum #7-15
Assessing Proposed Nutrition Education Costs in the National School Lunch Program and School Breakfast Program

This memorandum provides guidance on the process school food authorities (SFAs) should use when assessing requests to fund nutrition education related expenses from the nonprofit school food service account. Nutrition education is an integral part of the mission of the National School Lunch Program (NSLP) and School Breakfast Program (SBP) when the nutrition education and related activities directly support the operation and/or improvement of the school food service. Refer to 7 CFR Part 210.12(a) for more information.

State agencies and SFAs have the discretion to determine the allowability of SFAs to use nonprofit school food service account funds to pay for costs. In determining what proposed nutrition education costs and related activity may be supported with funds from the nonprofit school food service account, an SFA should assess the allowability of costs by considering the activity's impact in directly supporting the operation and/or improvement of the school food service. In doing so, an SFA must consider whether the proposed cost: (1) is reasonable, necessary, and allocable in accordance with the Office of Management and Budget (OMB) Guidance under the "[Cost Principles for State, Local, and Indian Tribal Governments](#)" or "Cost Principles for Non-Profit Organizations," as applicable; and (2) supports the operation and/or improvement of the school food service that serves nutritious meals meeting the regulatory meal pattern requirements.

The cost principles serve an extremely important function in considering proposed costs and assisting program operators in better understanding how school food service account funds are being used. The OMB cost principles are a tool to be used by SFAs for the purpose of cost determination and are not intended to dictate the extent of financial assistance for a particular cost objective.

When considering proposed uses of nonprofit school food service account funds for nutrition education costs, the Food and Nutrition Service (FNS) has provided the following assessment questions to assist SFAs in determining if costs are allowable under the Federal cost principles; i.e., necessary, reasonable and allocable.

- What is the priority status for use of nonprofit school food service account funds?
 - Is equipment for food preparation current and in good working order?
 - Is the point-of-service system up-to-date?

- What is the status of the nonprofit school food service account?
 - Are net cash resources in excess of the three months average operating expenditures per 7 CFR 210.14?
- Are the SFA's NSLP and SBP operating in compliance with the respective meal patterns for:
 - certification for performance-based reimbursement?
 - whole grain-rich requirements?
- What product/service is being considered for acquisition?
- How does this product/service directly benefit the operation and/or improvement of the school food service program and its priorities? (i.e., encourage the service of reimbursable meals; improve/update the point-of-service system, etc.)
- What is the estimated cost of the product/service?
- Would the purchase of the product/service be duplicative and not cost effective?
- What alternative options through low/no cost ways to address the need have been taken? (i.e., purchasing low/lower cost items; using the services of volunteers; expanding an existing local education agency contract for such services, etc.)
- Would the proposed cost divert nonprofit school food service account funds from supporting food service operation staff time and effort and thus impair or diminish the delivery of the school meal service?
- Does this proposal include the purchase of land, a building or construction of a building?
 - NSLP and SBP regulations at 7 CFR Parts 210.14(a) and 220.7(e)(1)(iii) generally prohibit using funds to cover the cost of purchasing land or purchasing or constructing buildings.
- Is the proposed cost for a capital expenditure other than the acquisition of real property (i.e. building, land)?
 - If yes, the SFA must receive pre-approval from the State agency unless the equipment is identified on the State agency pre-approved list, if available, per Policy Memorandum SP 31-2014, "State Agency Prior Approval Process for SFA Equipment Purchases", dated March 28, 2014.

To complete an assessment of a proposed cost, the SFA should summarize the assessment of the cost, including why the cost is allowable (i.e., necessary, reasonable, and allocable) in light of the responses to the questions above. This summary and supporting documentation should be maintained on file for audit purposes.

Questions may be directed to:

County	Consultant	Email	Phone Number
Fairfield	Fionnuala Brown	fionnuala.brown@ct.gov	860-807-2129
Hartford (towns/cities beginning with A-R)	Teri Dandeneau	teri.dandeneau@ct.gov	860-807-2079
Hartford (towns/cities beginning with S-W) & Windham County	Susan Alston	susan.alston@ct.gov	860-807-2081
Litchfield County	Allison Calhoun-White	allison.calhoun-white@ct.gov	860-807-2008
Middlesex & Tolland Counties	Andy Paul	andrew.paul@ct.gov	860-807-2048
New Haven	Jackie Schipke	jackie.schipke@ct.gov	860-807-2123
New London	Monica Pacheco	monica.pacheco@ct.gov	860-807-2073

JF:tdd