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Department of
Agriculture

Food and
Nutrition
Service

Mountain
Plains
Region

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Reply to
Attn of: SP 09-01

December 22, 2008

Subject: Fresh Fruit and Vegetable Program (FFVP) Regional Q & As and Conference Call Notes

To: STATE AGENCY DIRECTORS - Colorado ED, Iowa, Kansas, Missouri ED,
(Special Nutrition Programs) Montana OPI, Nebraska, North Dakota,
South Dakota, Utah and Wyoming

We are issuing this policy memorandum to consolidate FFVP information gathered at the regional level; therefore, attached please find:

- Q & As handed out at the State Directors' Meeting in September. Please note that Q & A #22 is new.
- Notes from the regional conference call conducted October 9, 2008.

Other guidance that is available from our FNS website and/or Partner Web is listed below:

- Fresh Fruit & Vegetable Program Handbook – August 2008 – available at <http://www.fns.usda.gov/cnd/FFVP/Resources/FFVPhandbookFINAL.pdf>. Included in this handbook are:
 - SP 31-2008 dated July 11, 2008 and titled “FFVP: Nationwide Expansion and Program Operations Resulting from the Food, Conservation, and Energy Act of 2008 (Public Law 110-234)”;
 - SP 33-2008 dated July 31, 2008 and titled “FFVP Technical Assistance Information on FFVP Operations”;
 - SP 35-2008 dated August 8, 2008 and titled “Frequently Asked FFVP Questions”; and
 - SP 25-2008 dated June 27, 2008 and titled “FFVP Funding from FY 2008 Consolidated Appropriations Act”.
 - SP 06-2009 dated December 16, 2008 and titled Fresh Fruit and Vegetable Program (FFVP), Prorating Funding for Schools Starting the FFVP Late in the School Year.

These memos are also available at <http://www.fns.usda.gov/cnd/FFVP/FFVPResources.htm>.

We trust you will find this consolidated information helpful. If you have questions that are not addressed in the above-referenced guidance, please contact us at (303) 844-0354.



DARLENE SANCHEZ
Regional Director
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Attachments – 2

cc: Cheryl Kennedy, Field Operations

Fresh Fruit and Vegetable Program (FFVP) Questions and Answers



School Level

Q #1: Are FFVP schools still allowed to use 10% of their funding for administrative purposes?

A: Yes, schools can retain 10% for administrative costs.

Q#2: What is the highest grade considered to be elementary? Is it Grade 6 or Grade 8?

A: An elementary school is defined as however the State (not the National School Lunch Program [NSLP] state agency [SA], but the Department of Education [DOE]) defines elementary. If the State DOE defines K-5 as elementary, then the highest grade considered would be the 5th grade.

Q#3: Since only elementary schools are eligible under the Farm Bill, may the K-12 schools still participate because we picked them before passage of the Farm Bill?

A: The elementary grades from K-12 schools can be selected, but a school must have a physical plant set up in a way that the elementary students can be offered FFVs separately from the older, high school setting. This might not be too difficult, as the FFVP in elementary schools has frequently used carts to distribute fruits and vegetables to the classroom.

The elementary grades in a K-12 school would have to be broken out and their free and reduced percentages of enrollment for those grades would have to be calculated so that they could be properly ranked.

Such schools that express a desire to participate and are determined to be eligible through the selection process by which those elementary schools with the highest free/reduced price percentages are given the first opportunity to participate, with successive schools selected based on their agreement to participate, may be selected until the total grant is committed.

Q#4: Frequently Asked FFVP Questions (SP 35-2008): Page 2 – Can FFVP funds be used to purchase Nutrition Education materials? The answer given in the memo is No; we suggest schools find other methods to fund the cost of nutrition education materials. It is suggested in the memo that these materials be obtained from Team Nutrition, Fruits and Vegetables – More Matters (formerly 5-A-Day), and other national partners. Does that mean that schools cannot purchase nutrition education materials?

A: Schools may purchase such materials; however, the money that is spent has to come from either the nonprofit school food service account or the general fund.

Q#5: May schools use FFVP funds for promotional costs?

A: The memo answer is no, costs associated with promotional activities cannot be funded by the FFVP. Schools may no longer use administrative funds to purchase promotional activities. If a school chooses to purchase such items, the money that is spent has to come from either the nonprofit school food service account or the general fund.



Q#6: Are paper goods still an allowable expense?

A: Schools will be allowed to charge expenses related to acquiring, delivering, preparing, and serving FFVs, such as napkins, paper plates, serving bowls and trays, cleaning supplies, and trash bags. The category under which it falls in the new FFVP handbook may change but those items are allowable expenses.

Q#7: May the school purchase canned or frozen fruits and vegetables and things like trail mix and dried fruit?

A: Congress was very clear in the conference report on the Farm Bill that schools only purchase fresh fruits and vegetables and, no other products. Therefore, FFVP funds cannot be used to purchase trail mix and dried fruit. Also, another change that will be addressed in guidance is that dips of any kind for fruit are no longer allowed.

Q#8: In the purchasing of fresh fruits and vegetables, are the schools allowed to claim the shipping and handling charges they now face? For example, if the shipping/handling charges were \$50 and half of the order was for the FFVP, can the school submit \$25 to be reimbursed from the FFVP?

A: Yes. Those types of charges are considered allowable for acquiring and delivering fruits and vegetables and should be prorated.

Q#9: With the template claim form from USDA, could they list the shipping/handling charges on the sheet where they list the various fresh fruits/vegetables that were purchased for the month?

A: Yes, that would be appropriate.

Q#10: What is the definition of vacuum packed? How does vacuum packed differ from simply “sealed” items like you get from a vendor, either in bulk or individual servings? Also, why isn’t vacuum-packed allowable, but value-added is?

A: When the handbook references vacuum packed, it is referring to those items that have a long shelf life, like chopped fruits in a cup, with or without juice, that are vacuum packed. They are too processed and not fresh enough for the FFVP. Typically the fruit provided in baggies like apple slices have ascorbic acid/vitamin C on them as a preservative and nothing else. We would allow these in the FFVP. We want a distinction with the FFVP in that it must be fresh; whereas, in the other school meal programs, fresh, canned and frozen items may be used.

State Agency



Q#11: A SA has picked their schools prior to the passage of the Farm Bill. Even if the SA allocated the maximum amount of \$75 for each enrolled child, there are funds remaining. Can the SA add more schools that would start October 1st?

A: SAs are not required to allocate funds to all schools based on the same per student amount. They could establish the funding level for one school based on \$50 per student, and another school at \$75 per student, or use any figure in between the two minimum/maximum amounts. Lower per-student amounts, means more students and more schools.

Q#12: May the SA select schools that do not meet the 50% or more Free/Reduced Price eligibility?

A: SP 31-2008 and the Handbook released August 2008 outline if/how this could occur. Under School Selection Criteria it states that “once all interested and eligible schools at or above 50 percent have been selected, the law permits SAs to select eligible schools below 50 percent.” However, under the Outreach to Low Income Schools section, it states that “SAs are required to inform elementary schools with the highest proportion of free/reduced price enrollment, including Native American schools, of FFVP participation eligibility. At a minimum, States must provide information to all elementary schools with free/reduced price enrollment at or above 50 percent. In addition, from the 50 percent or higher group, States must further identify and inform schools likely chosen to participate in FFVP because the schools have the highest free/reduced price percentages...The outreach must be conducted before the SA selects schools for participation in the program.”

Q#13: SAs are to let each school know how much money is being made available to them for the FFVP. If the SA tells a school a certain dollar amount and the school spends more than that but has not exceeded the \$75 limit per child, may the SA pay that claim if money is left over from other schools that did not spend the full amount?

A: Yes, but the SA must ensure the receiving school’s expenditures are appropriate if the school is exceeding their limit. States may reallocate funds to other participating schools but they should consult the Regional Office before doing so.

Q#14: Funds for State Administrative Costs (SP 31-2008): The memo states that states may have the lesser of 5% or the amount required to pay the costs of one full-time coordinator for the FFVP in the State. It also goes on to say that it is up to the state to determine how best to manage administration of the FFVP. What documentation is required?

A: We would expect to see documentation on a management evaluation of how the SA determined how much money is for state administrative costs, for example, the allocation times 5% and a state salary table, including benefits, for a full time coordinator.

Also, once the determination of which option to use is made, documentation is required if the FFVP person works on the FFVP program 50% of the time and in other areas 50% of the time. Time certification sheets should be maintained.



Q#15: May SAs take 5% Administration off both Fiscal Year (FY) 08 and FY 09 funding?

A: Yes, it may be taken for both FY and FY 09 funding because the 5 percent is of the State agency's total grant for the year.

Q#16: May the SA draw the total administrative cost amount in the July-September 30th time period?

A: The SA should refrain from drawing administrative costs from the July allocation so schools have adequate funding to get the FFVP up and running. If the SA can ensure that the schools have all the money they need, then the SA could take a proportional share of the July allocation based on expenditures.

Q#17: May SAs request money for mini grants to schools to purchase nutrition education materials?

A: The National Office will allow Team Nutrition mini grants to schools so they can purchase nutrition education materials, i.e. materials that promote fruit/vegetable consumption, if that is a part of their Team Nutrition grant request.

Q#18: Are SAs to determine funding levels based on October 2007 enrollment? One of the mandatory fields on the school profile is March participation data.

A: The SA should choose a single date for establishing enrollment and number of, and then percentage of, free and reduced price students. It need not be October 2007, but it should be a single date

Q#19: How should I determine what amount to give to the schools?

A: Here's an example of how to calculate both the \$50 minimum amount and the \$75 maximum amounts.

The SA's total allocation is \$749,302 and it receives \$184,101 July 1st and another \$565,201 on October 1. The SA should refrain from taking administrative funds that are available for activities from July 1st to September 30th so that schools have more money to work with as they start up the FFVP. Assuming that 5% is less than an administrative position, the SA could retain \$37,465 (grant allocation times 5%) for use, beginning October 1. The 5% is taken from the total school year allocation of July and October.

\$749,302 - \$37,465 = \$711,837 for year-long allocation;

\$711,837 divided by \$50 = 14,236 students' total, in all schools, for the year;

\$711,837 divided by \$75 = 9,491 students total, all schools, for the year;

For example, a school with 250 enrollment: $250 \times \$50 = \$12,500$ for the full year.

\$12,500 divided by 9 months operating = \$1,389 (for September), balance for the remainder of the school year from October 1 on.



Q#20: What is the accounting code for FFVP?

A: The new code for the FFVP is **10.582**.

Q#21: Does the State-local agreement require “authority” language?

A: The USDA/FNS March 2008, A-133 Compliance Supplements do not have specific instructions for FFVP; because although FFVP was elevated from a “project” to a “program” the funding is small. It is unlikely FFVP would qualify as a “*major program*” under the A-133 circular. However, if an auditor selected FFVP as part of their test, part 7 of the Compliance Supplement will tell them how to construct the tests.

7 CFR 210.9 sets forth all the provisions that are required in the agreement between the State agency and the local entity to operate the National School Lunch Program, and these provisions do not include the specific language to be included; therefore, it is not required on the State-local agreement.

However, if the SA wishes to include authority language, it should reference the requirements of Section 19 of the National School Lunch Act.

Q #22: What amount of funding should be allocated to schools that want to begin the FFVP after the start of the SY?

A: New schools that start the FFVP after the start of the SY will receive a prorated amount of funding that is based on the remaining number of operating days.

For example, School A wants to start the program December 1st. They have 250 students and you want to allocate \$75 per student.

Step 1. Take \$75 times the total number of students (250) = \$18,750

Step 2. Take \$18,750 and divide it by the total number of school operating days (in this example, the school has 180 operating days in their SY) = \$104 per day (not per student).

Step 3. This amount of \$104 is the daily rate the school would have received had they started at the beginning of the SY.

Step 4. Multiply this daily rate amount (\$104) by the remaining number of operating days left in the year (in this example, 130 if they are starting Dec. 1st) = \$13,500.

This amount, \$13,500, is the prorated amount that School A would receive for the remainder of the school year. Had they started the beginning of the SY, they would have received the \$18,750 amount. Keep in mind the school is still receiving the \$75 per student amount.

We suggest that when you inform schools of the grant they will receive, to refrain from informing them of the breakdown amount per student; simply say that the school will receive X dollars to operate the FFVP for the remainder of the year.

The State agency has some discretion to determine at what point to provide funds on a prorated basis, however in any case, the decision on when to prorate funds should be discussed with the Regional Offices (per SP 06-2009 dated December 16, 2008).



FFVP Regional Conference Call Notes

Thursday, October 9, 2008

- 1) There is one grant, for the entire school year, but the grant covers two Federal fiscal years (FFYs).
 - a. In order to maintain FFY integrity, the total grant is split into two separate allocations.
 - b. For the purpose of administering the grant, FFY integrity means that each of the two allocations must be handled separately by the State agency (SA).
 - c. Schools may apply and be approved to serve FFVP to students with funds made available by the SA through the claims for reimbursement process.
- 2) Definitions
 - a. **Grant**
 - i. The entire total grant to the SA for FFVP operations for the school year, from July 1 to June 30.
 - ii. The grant amount, minus the 5% of SA-level administrative funds, is used by the SA to calculate the number of students who may be served in the FFVP based on \$50 to \$75 per student.
 - iii. Qualifying schools receive a grant that is calculated by multiplying their enrollment by the \$50 to \$75 amount. However, that grant amount, to individual schools, is made available in two separate allocations.
 - iv. SP 33-2008, in Attachment I – Allocation of Funds to Schools, 5th paragraph, it states: “We recommend that schools which are prepared to begin operations at the beginning of the SY be provided an initial budget upon which to draw their reimbursement based on the minimum level, \$50 per student, to start the program until the final amount can be determined.”
 - b. **First allocation**
 - i. The portion of the total grant, approximately one quarter of the total dollar amount, that is available for FFVP operations in schools, and FFVP State-level administration, for the period from July 1 to September 30.
 - ii. This will be the first quarter of the school year but the fourth quarter of the FFY.

c. **Second Allocation**

- i. The portion of the total grant, approximately three quarters of the total dollar amount, that is available for FFVP operations in schools, and FFVP State-level administration, for the period from October 1 to June 30.
 - ii. This will be the second through fourth quarter of the FFY.
- 3) Funds from the first allocation that are not obligated by September 30th, will be recovered by FNS and will not be available for new expenditures or new obligations by the SA or the schools after then.
- a. Schools have until December 30 to request reimbursement for items purchased from July 1 to September 30.
- 4) On October 1, the second allocation, approximately three quarters of the total grant, will become available.
- 5) The SA may draw the 5% administrative funds from the first allocation if:
- a. There is enough money for schools to get the program up and running.
 - i. If money is tight, the SA should refrain from drawing administrative from the first allocation.
 - b. The funds drawn are obligated, for example, to pay the salary of a person hired to run the FFVP.
 - c. There is an exception for the first year of FFVP in that the SA may be reimbursed for SA-level administrative expenditures up to the full 5% of the total grant amount, from the funds available from the second allocation.
 - i. In upcoming years, the SA must claim expenditures separately from the two allocations, up to 5% of the first allocation and then up to 5% of the second allocation.
- 6) The SA will select schools to participate based on the criteria, providing for a range of \$50-\$75 per student.
- a. The division of the FFVP grants into two allocations will NOT mean that any recalculation of the number of students, or schools, will need to be performed.
 - b. There will be no reconciliation of the benefit level the student actually received over the course of the school year to determine if the \$50 level was met.
- 7) The SA should report to each school the amount of its grant that will be available from the first allocation and the amount available in the second allocation so that the school can see the amount that is going to be available for FFVP operations in each of the two funding periods.

- 8) Funds recovered by FNS may be reallocated at some point; however, we have no information on how or when or by what process this might occur.
 - a. SAs should be prepared to work with only the three quarters of the overall grant for the October 1 to June 30 period.
- 9) Schools may claim on a cash basis only, meaning that the bills for FFVP will have been paid before the school submits its claim for reimbursement.
 - a. This question came up because the handbook indicates, on page 18 – bullet #3, that “the claim form should identify monthly school purchase data for the FFVP”. Clarification is provided.
 - i. The SA will need to require schools to report funds that are obligated but not expended.
 - b. This will be especially important because the SA will need to know how to report to FNS what is obligated but not yet expended.
 - i. The SA is to determine what method to use to achieve this reporting requirement.
- 10) National Office has not yet decided for next year how much of the total grant to put into the first allocation which may be used or recovered by September 30, 2009.
 - a. Items for consideration will likely be:
 - i. Whether or not there will be enough money to cover SA administrative costs as contacts, selections, and training of schools is carried out during the first allocation period.
 - ii. What the expected amount of school expenditures there will be as schools begin their FFVPs at the beginning of the school year (if they start at the beginning of the school year).

As always, if you have questions about the FFVP, please call or e-mail your primary contact for answers.

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