Supply Chain Assistance (SCA) Funds

Nutrition Services
Nebraska Department of Education
February 23, 2022

Housekeeping

• Mute your microphone

• OK to turn camera on (if joining from computer or smartphone)

• Type questions in chat or unmute at conclusion of presentation
Overview

• SCA Funds & Eligibility
• Funding Calculations
• Accept or Decline Funds
• Dates and Deadlines
• Recordkeeping
• FAQs

What are Supply Chain Assistance (SCA) Funds?

• Additional food purchasing funds to address supply chain issues and increased costs

• Funds used exclusively on unprocessed and minimally processed domestic foods

Who is eligible to receive SCA funding?

- School Food Authorities (SFAs) that operate the school meal programs

Nebraska Department of Education (NDE) receives allocation of SCA funds

Eligible SFAs provide attestation statement

NDE distributes funds to SFAs that accept funds based on FNS guidance

State Agency Funding Calculations

- NDE received approximately $1.5 million dollars to distribute to SFAs

- NDE will distribute quickly in order to achieve goal of providing immediate assistance
Local Level Funding Calculations

- Eligible SFAs can accept funding that was based on a predetermined formula:
  - $5,000 per school, and
  - Additional funds based on # of students in schools that participate in school meals program

- NDE used October 2021 SFA-level enrollment data to determine local level funding

Funding Reallocation

- If SCA funds not entirely used, a second distribution may allow schools to received reallocated funds

- Reallocation must be finalized by September 30, 2023

- Additional information about reallocation provided at a later time
Accept or Decline Funds

• All SFAs eligible to receive SCA funds will receive a Qualtrics survey link via email
  • Link will be sent later this week
  • Identical link sent to Authorized Representative and Claim Contact

Can accept or decline funds
• If accepting funds, must sign attestation statement
  • Survey must be submitted by March 1, 2022

Dates and Deadlines

- **Survey Submission**
  • Submit by March 1, 2022
  • Sign attestation statement if accepting funds

- **Funds Distributed**
  • All funds will be distributed by March 15, 2022
  • Deposited into the nonprofit foodservice account

- **Reallocation**
  • Reallocation process begins on September 30, 2023
  • SFAs will be notified of updated allocation amounts

- **Using the Funds**
  • Retain purchasing records
  • Use as quickly as possible
Use of Funds

• SCA funds must be used for the purchase of unprocessed or minimally processed domestic foods

<table>
<thead>
<tr>
<th>Acceptable Purchases</th>
<th>Unacceptable Purchases</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fluid milk, cheese, yogurt</td>
<td>Pre-made pizzas</td>
</tr>
<tr>
<td>Fruits and vegetables (including 100% juices)</td>
<td>Breads, muffins, or crackers</td>
</tr>
<tr>
<td>Grain products (pastas, rice, flours)</td>
<td>Pre-packaged sandwiches or meals</td>
</tr>
<tr>
<td>Meats (whole, pieces, ground)</td>
<td>Chicken nuggets</td>
</tr>
<tr>
<td>Meat alternates (beans, legumes)</td>
<td>Cereal</td>
</tr>
</tbody>
</table>

Procurement & Recordkeeping

• Follow usual procurement requirements
• Retain purchase and other related records for four years
• Provide to the NDE only if asked, during Administrative or Procurement Review

Example: Receive $7,500 in SCA funds; be able to produce $7,500 in invoices for unprocessed/minimally processed foods used in school meals
SFAs with Food Service Management Companies (FSMC)

- Use SCA funds to pay invoices
- SFA ensure FSMC purchased unprocessed/minimally processed foods for meals served
- Invoices available when requested by NDE/USDA
- SFAs purchase allowable food items outside of their food service management contract, contract permitting

SFAs with Vendor Agreements

- Use SCA funds to pay meal vendor invoices
- SFA ensure meals contain/provide unprocessed/minimally processed foods
- NOT ok to hand SCA funds over to the SFA providing meals
- SFAs purchase allowable food items outside of their food service management contract, contract permitting
HJ0 is this info necessary with it just applying to those with FSMCs?
Hilligoss, Jenna, 2022-02-09T20:15:26.620

KP0 yes, needed.
Kayte Partch, 2022-02-22T14:54:26.461
SFAs with Vendor Agreements, cont’d

Example: SFA 1 gives all reimbursement to SFA 2 that serves as vendor; no staff time or other costs to school meals

SFA 1 can accept funds and use them for additional USDA meals/snacks (breakfast, afterschool snack), or additional fruits and vegetables served with meals received from SFA 2 (vendor school)

FAQ: Can food products purchased with SCA funds be served at any time?

• **NO.** SCA funds can be used only to support the service of
  • National School Lunch Program (NSLP/SSO)
  • School Breakfast Program (SBP/SSO)
  • NSLP Afterschool Snacks

• No FFVP items
Consider removing this.
Kayte Partch, 2022-02-22T15:06:50.536
FAQ: Can funds be used on labor, supplies, or administrative expenses?

- **NO.** SCA funds can only be used for the purchase of unprocessed or minimally processed domestic foods.

- Incidental costs that are part of the purchase price charged by a vendor **ARE** allowable.
  - Incidental costs include shipping, handling and packaging.

FAQ: Do SCA funds have to be tracked separately?

- **NO.** Put SCA funds into NPFSA.

- SFAs must maintain documentation of how the SCA funds used for domestic, unprocessed/minimally processed food products totaling the funds provided.

- IRL: SFA received $10,500 SCA funds → show me $10,500 minimally/unprocessed food items were purchased since receiving SCA funds.
FAQ: Are SFAs required to accept SCA funds?

• **NO.** SFA’s can decline SCA funding

• If an SFA does not accept their allocation, those funds will become available for reallocation by NDE

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FAQ: Can I accept SCA funds if my school has net cash resources?

• **YES.** SFA’s can accept SCA funding even with NCR

• Eligibility for SCA funds isn’t impacted by NCR (food service account balance > 3 months’ expenditures)
**FAQ:** Can my school accept less than its full SCA allocation?

- **YES.** SFA’s can accept less than funding amount you’ll see in your survey.

- Identify a lesser amount in the available text box/answer.

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**FAQ:** What is the deadline to use the SCA funds?

- Ideally used within two years

- Intent is to use ASAP to address supply chain & pricing issues with school menu items
Questions
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