



# Local Food for Schools (LFS) Cooperative Agreement Program FREQUENTLY ASKED QUESTIONS Updated: 4/16/2024



**Q1. What are LFS funds?**

- A. The United States Department of Agriculture (USDA) - Agricultural Marketing Service established LFS funding to be awarded to state agencies that operate USDA Child Nutrition Programs. LFS funds will be distributed from the NDE to schools as reimbursement for purchase of unprocessed or minimally processed local food.

**Q2. Which schools will be eligible to receive LFS funds?**

- A. Schools that participate in the USDA National School Lunch Program (NSLP) and/or the School Breakfast Program (SBP) and in good standing.

The list of eligible schools is posted on the NDE website:

<https://www.education.ne.gov/ns/farm-to-school/local-food-for-schools/>

**Q3. What are allowable uses of the LFS funds?**

- A. LFS funds may be used by eligible schools to purchase only unprocessed or minimally processed local food from local or regional producers for use in the NSLP or SBP. The definition of "local" is defined in the LFS Request for Applications on p. 5 (also see Q6 below):

[https://www.ams.usda.gov/sites/default/files/media/LFS\\_RFA.pdf](https://www.ams.usda.gov/sites/default/files/media/LFS_RFA.pdf)

The list below is not a comprehensive list; please inquire with NDE Nutrition Services if you are unsure about eligibility of a particular food not listed below.

Allowable Unprocessed/Minimally Processed Food	Unallowable Foods Considered Processed
<p>Minimal processing states and/or forms:</p> <ul style="list-style-type: none"> <li>- Whole, cut, pureed, etc.</li> <li>- Fresh, frozen, canned, dried, etc.</li> </ul> <p>Foods should be purchased from *Small Businesses</p> <p><u>Examples of allowable foods:</u></p> <ul style="list-style-type: none"> <li>- Fluid milk</li> <li>- Other dairy foods such as cheese (shredded, sliced, block) and yogurt</li> <li>- Fruits and vegetables (including fresh, frozen, canned, dry, pre-cut, and 100% juices)</li> </ul>	<p>Significantly processed or prepared:</p> <ul style="list-style-type: none"> <li>- Pre-made/ready-to-eat foods</li> </ul> <p><u>Examples of unallowable foods:</u></p> <ul style="list-style-type: none"> <li>- Pre-made pizzas</li> <li>- Breads, muffins, crackers</li> <li>- Pre-packaged sandwiches</li> <li>- Chicken nuggets and breaded meat items</li> <li>- Cereal</li> </ul>

<ul style="list-style-type: none"> <li>- Grain products such as pastas and rice</li> <li>- Meats (whole, pieces, ground) and eggs</li> <li>- Meat alternates (beans, legumes)</li> </ul>	<ul style="list-style-type: none"> <li>- Produce seeds</li> </ul>
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**Q4. Can LFS funds be used for direct or indirect costs associated with administering the program? Can funds be used for infrastructure investments, such as equipment purchases?**

A. No. LFS program funding must be used only for the purchase of local foods.

**Q5. From whom can SFAs purchase allowable food using LFS funds?**

A. Purchases should be made from farmers, producers, processors, or distributors of local domestic product that meet the definition of a local or regional producer.

To be considered “local or regional”, the producer or supplier headquarters must be in Nebraska or within 400 miles of the delivery destination.

B. SFAs should purchase products from small businesses as generally defined by the U.S. Small Business Administration (SBA). A small business will be an independent business that is not nationally dominant in its field and will have fewer than 500 employees.

C. SFAs should aim to purchase from socially disadvantaged farmers and producers to the extent practicable.

**Q6. What is the definition of “local and regional food” for this program?**

A. Locally and Regionally produced Food means food that is raised, produced, aggregated, stored, processed, and distributed in the locality or region where the final product is marketed to consumers, so that the total distance that the product travels between the farm or ranch where the product originates and the point of sale to the end customer is at most 400 miles, or both the final market and the origin of the product are within the same state or territory.

**Q7. Can I use LFS funds to purchase produce from my regular produce distributor?**

A. No. LFS funds must target socially disadvantaged farmers and producers as much as possible, and the products should only be purchased from businesses that meet the SBA definition of a small business. Consider purchasing from a food hub if available to you; food hubs have experience targeting eligible producers and can help ensure the funds are used as intended. Purchases can also be made directly from farmers, processors, farmers' market vendors who produce the food they sell, and elsewhere. This list is not exhaustive and if the school purchaser has questions regarding eligible purchases, contact NDE Nutrition Services to confirm eligibility of product or purchase.

**Q8. How does my SFA accept the allocated LFS funds?**

- A. School Food Authorities will complete the LFS Opt-In Survey to elect to receive funds. The published allocated amounts are made available in the Local Food for Schools Information on the Nutrition Services Website:  
<https://www.education.ne.gov/ns/#1678136777411-0ca24bae-3664>

**Q9. By when must LFS funds be spent?**

LFS funds will be made available to eligible schools in two allocation cycles.

- A. The first allocation of LFS funds must be spent by June 30, 2024.  
B. The second allocation will be made available in July 2024, or at the beginning of the awarded school district's 2024-25 School Year and must be spent by June 2025.  
C. The third allocation of LFS funds will be made available July 2025 and must be spent by December 2025.  
D. LFS funds cannot be applied to purchases made by the SFA prior to receiving award notification. Invoices and receipts must be dated on or after the beginning date identified on the Grant Award Notice (GAN).

**Q10. Does the SFA need to set up a different federal revenue code for LFS funds?**

- A. No. The LFS funds will be deposited into the non-profit food service account and will become part of those funds. SFAs will code the grant reimbursement income.

**Q11. Can LFS funds be used to cover vended meals or meals provided through a Food Service Management Contract (FSMC)?**

- A. Yes. The FSMC makes the purchases and provides the SFA the documentation for the allowable purchases. LFS funds are received by reimbursement and the FSMC must provide to the SFA proof of allowable purchases; this information will be provided in the quarterly request for reimbursement, then the SFA will receive the LFS reimbursement payment, and it must go into the nonprofit school foodservice account. The FSMC will continue to bill the SFA according to the fixed meal price contract; there cannot be any additional charges outside the contract.

**Example:** SFA 1 contracts with a vendor (another SFA or an FSMC) for meals. SFA 1 receives an invoice for \$8,000 along with three invoices showing the milk, pasta, fruits, and vegetables served in that month's meals count as qualifying purchases and total \$3,300. SFA 1 can use \$3,300 of LFS funds to pay a portion of the monthly invoice, and the remaining \$4,700 would be paid for using non-LFS funds. Since LFS funds go into the non-profit food service account, SFA 1 cannot pay LFS funds to an FSMC or other SFA serving as a meal vendor for any charges outside of their contract's agreement.

**Q12. What are the recordkeeping requirements for SCA funds?**

- A. Maintain all invoices and receipts for items for which LFS funds are used to purchase; retain these records for a period of four years.

**Q13. Can a supplier provide a statement that reflects several months of allowable purchases? Or do individual/monthly invoices need to be used to document allowable expenditures?**

- A. A statement to reflect allowable purchases made over several months is acceptable documentation for the use of LFS funds. Ensure the time period reflected in the statement is for purchases made after the begin date on the GAN.

**Q14. How will my SFA receive funds?**

- A. Deadlines for SFAs to submit a reimbursement request with the required documentation for quarterly reimbursement are outlined in the table below:

<b>Deadline to Submit Request &amp; Documentation</b>	<b>Payment Processing Date</b>
September 10, 2024	October 10, 2024
December 10, 2024	January 10, 2025
March 10, 2025	April 10, 2025
June 10, 2025	July 10, 2025

**Q15. How do I submit the claims worksheet template for reimbursement?**

- A. Each quarter, complete a new claims worksheet using the provided Google forms template, and document all purchases made that you are requesting reimbursement for from LFS funds. Your template will be approved by NDE Nutrition Services, and a confirmation email will be sent to the district's LFS claim contact. Each SFA should track their remaining balance after each quarter.

<b>Claim Periods</b>
July 1 – August 30
September 1 – November 30
December 1 – February 28
March 1 – May 30