



# Local Food for Schools (LFS) Cooperative Agreement Program FREQUENTLY ASKED QUESTIONS Updated: 4/15/2025



## 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 are in good standing are eligible to utilize LFS funds.

## 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
Minimal processing states and/or forms: <ul style="list-style-type: none"><li>- Whole, cut, pureed, etc.</li><li>- Fresh, frozen, canned, dried, etc.</li></ul> Foods should be purchased from *Small Businesses	Significantly processed or prepared: <ul style="list-style-type: none"><li>- Pre-made/ready-to-eat foods</li></ul>
<u>Examples of allowable foods:</u> <ul style="list-style-type: none"><li>- <b>Unflavored</b> fluid milk</li><li>- Other dairy foods such as cheese (shredded, sliced, block), <b>unflavored</b> yogurt, cottage cheese and sour cream</li><li>- Fruits and vegetables (including fresh, frozen, canned, dry, pre-cut, and 100% juices)</li></ul>	<u>Examples of unallowable foods:</u> <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><li>- Produce seeds</li><li>- <b>Processing fees</b></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>	
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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.

**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. Possibly, if the items purchased are local to Nebraska or within 400 miles from delivery location. SFA's must target small businesses to the extent practicable. 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. Funding amounts will be based on student enrollment at each site and will be communicated once final allocations are confirmed.

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

- A. This is the last opportunity to access LFS funds, which must be used between **July 1, 2025, and December 31, 2025**.
- B. 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 LFS 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 (three plus the current).

**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, 2025	October 10, 2025
December 10, 2025	January 10, 2026

**Q16. How do I submit the claims worksheet template for reimbursement?**

- A. Each quarter, complete a new claims worksheet using the provided Google Forms document, and record 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. You may upload your LFS invoice directly into the google template, or email to [NDE.LFS@nebraska.gov](mailto:NDE.LFS@nebraska.gov). Each SFA should track their remaining balance after each quarter.