



ATTENDANCE

1

Right click on your name in the video view or in the participant pane.

2

Click “rename.”

3

Change your name to include yourself and anyone who may be with you.



SUPPLY CHAIN ASSISTANCE FUNDING

SCHOOL YEAR 2023-2024

Cheriee Watterson, CANS Director

Mikayla Hardy, RDN, LN, CANS Office Admin

Melissa Cuka, SNP Program Specialist



south dakota
DEPARTMENT OF EDUCATION

Learning. Leadership. Service.



AGENDA

- Purpose
- Calculation
- Allowable & Unallowable Costs
- Record Keeping
- Reallocation
- Timeline
- Attestation
- Spending Tips
- Monitoring
- Frequently Asked Questions
- Your Questions



SUPPLY CHAIN ASSISTANCE AUTHORIZATION

- U.S. Dept of Agriculture Food and Nutrition Service funding through the Commodity Credit Corporation

SCA Funding Round	SD Allocation	Payment Timeline
Round 1	\$3,243,736	March 2022 (last SY)
Round 2	\$3,099,417	March 2023
Round 3, 1 st allocation	\$1,905,613	March 2023
Round 3, 2nd allocation	\$3,816,361	December 2023



SCA PURPOSE

- To provide financial assistance to operators of the National School Lunch/Breakfast Programs that continue to experience food chain and labor stress and disruptions
- Lump sum payment of federal funds made directly into the school foodservice account for each eligible NSLP operator



SCA FUNDING CALCULATION

Each round of SCA funds goes through the following two-part calculation:

- **Part 1:** Base Payment of \$5,000
- **Part 2:** A proportional funding amount based on each SFA's share of statewide student enrollment*
 - Each SFAs enrollment divided by total state enrollment

**Calculation based on iCAN SNP October claim student enrollment data⁶*



ACCEPTING SCA FUNDS

- Eligible schools must either:
 - DocuSign “Opt In,” if an attestation is on file from earlier rounds
 - DocuSign Attestation Statement



HOW SCHOOLS CAN USE SCA FUNDS

Funds can only be used to purchase
unprocessed or minimally processed, domestic food
for use in
NSLP, SBP, SSO, or NSLP afterschool snack



ALLOWED PURCHASES

- Unprocessed or minimally processed domestic food products
 - Must follow Buy American requirements - **no exceptions**
 - Minimally processed can mean foods that are: whole, cut, pureed, fresh, frozen, canned, dried, etc.
- Costs must be reasonable, necessary, and allowable to the School Nutrition Programs
- Costs must be new or current obligations, bills, invoices, purchases



EXAMPLES OF ALLOWABLE FOOD PURCHASES

- Fluid milk (cartons, gallons, bags, etc.)
- Fruits and vegetables (fresh, frozen, canned, 100% juice)
- Grain products (pastas and rice)
- Meats (whole, pieces, ground)
- Meat alternates (beans, legumes, cheese, yogurt)



IS ANYTHING ELSE ALLOWED?

- Not much!
- Some incidental non-food costs charged by a vendor are allowed
 - For example: normal costs related to shipping, handling, or packaging



NOT ALLOWED COSTS & PURCHASES

- Staff costs
- Chemicals
- Supplies
- Non-domestic food products
 - Buy American exceptions are not allowed
- Processing food costs (for example, meat processing costs)
- Past expenses



EXAMPLES OF NOT ALLOWED FOOD COSTS

- Processed, Prepared, or Pre-cooked Foods:
 - Pizza
 - Baked goods (breads, muffins, crackers)
 - Chicken, turkey, pork, beef, or fish nuggets and patties
 - Sandwiches
 - Ready to eat meals



MORE EXAMPLES OF NOT ALLOWED FOOD COSTS

- Food grown and/or processed outside of the U.S.
- Examples:
 - Bananas grown in South America
 - Mandarin oranges grown in Taiwan
 - Ground beef from Argentina



RECORD KEEPING REQUIREMENTS

Documentation is required

- Must include evidence that funds were used for allowable purchases
 - Invoices and receipts, food labels
 - Competitive procurement doc's that indicates buy American and minimally processed food

INVOICE

Food Manufacturer Name
Company Address
South Dakota, SD

**Shows Food
Grown &
Processed in
US**

DATE: _____

YOUR BUSINESS NAME

Company Address
City, State, Zip
Email
Phone Number

BILL TO:

Company Name
Address
City, State, Zip
Email
Phone

DESCRIPTION

UHT Milk, Skim Unflavored

**Clearly lists an
eligible
minimally or
unprocessed
food**

- Product/ Service 3
- Product/ Service 4
- Product/ Service 5
- Product/ Service 6
- Product/ Service 7

\$10.00

PAYMENT METHODS

BANK NAME:
COMPANY NAME:
ACCOUNT:
PAYPAL:

SUBTOTAL	\$70.00
TAXES	\$0.00
TOTAL AMOUNT	\$70.00

THANK YOU!

Vitamin A 4% • Vitamin C 0%

Calcium 20% • Iron 0%

* Percent Daily Values are based on a 2,000 calorie diet. Your daily values may be higher or lower depending on your calorie needs:

	Calories:	2,000	2,500
Total Fat	Less than	65g	80g
Sat Fat	Less than	20g	25g
Cholesterol	Less than	300mg	300mg
Sodium	Less than	2,400mg	2,400mg
Total Carbohydrate		300g	375g
Dietary Fiber		25g	30g

INGREDIENTS: CULTURED PASTEURIZED MILK AND SKIM MILK, BUTTERMILK, MILKFAT, CONTAINS LESS THAN 2% OF SALT, SODIUM AND POTASSIUM PHOSPHATES, TRICALCIUM PHOSPHATE, LACTIC ACID, MILK PROTEIN CONCENTRATE, ENZYMES.

CONTAINS: MILK

CONTAINS 6g TOTAL FAT COMPARED WITH 9g TOTAL FAT IN THE SAME SIZE SERVING OF REGULAR AMERICAN MILK.

A PRODUCT OF

LAND O'LAKES, INC., ARDEN HILLS, MN 55126
© 2013 Land O'Lakes, Inc.

**Clearly states
Domestic
Product**



RECORD KEEPING REQUIREMENTS & FSMC'S

- Same documentation requirements for all schools including programs management by Food Service Management Companies (FSMC's)
- FSMC's must provide documentation for eligible domestic, minimally or unprocessed foods used at SFA before SCA funds are spent



REALLOCATION OF FUNDS

- If any schools decline, their share will be reallocated to schools that accept funding
- Reallocated funds follow the same rules



COMMUNICATION & PAYMENT PROCESS

1. Email notification with award amounts
2. DocuSign sent through email to Superintendent
3. Reallocation and second email notification with new award amounts, if reallocated funds available
4. Funds will be deposit into your nonprofit school food service account



TIMELINE

Date	Action
Oct. 2, 2023	Email Notification of SCA Award Amount
Oct. 3, 2023	Attestation or Opt In Email to Superintendents
Oct. 18, 2023, midnight CDT	Attestation or Opt In Due Date
Nov. 1, 2023	Email Notification of Reallocated Funding Amount (if available) to SFAs
Dec. 8, 2023	Payment Issued



DEADLINE TO SPEND FUNDING

- No deadline for schools to spend this funding
- Use it as soon as possible on allowable purchases
- Intent is to assist schools overcome current supply chain issues



USDA REQUIRED ATTESTATION

1. Experiencing supply chain disruptions
2. Experiencing related financial difficulties or need
3. Will only use funds to purchases domestic unprocessed or minimally processed foods
4. Will not use funds for any labor, indirect, or other administrative expenses



USDA REQUIRED ATTESTATION (CONTINUED)

5. Comply with all recordkeeping and review requirements to demonstrate appropriate use of funds
 - Retain 3 years past the current year or longer to resolve audit findings
6. Comply with all applicable federal procurement and financial management requirements per 2 CFR 200



SIGNATURE AUTHORITY

School District Superintendent will sign
one DocuSign:

- Opt In
- Attestation



SPENDING TIPS

- Spend on farm to school foods or local purchases
 - Beef to school (but not processing fees)
- Review SCA flyer for spending tips on the CANS webpage
 - <https://doe.sd.gov/cans/snp.aspx>
 - Announcements heading



SPENDING TIPS

- Focus on qualifying food categories to make spending easier to track and document
 - Milk
 - Cheese
 - Domestic fruits
 - Domestic vegetables



MONITORING

- Administrative Reviews
 - Buy American
 - Procurement
 - Financial Management
- Subject to external audit activity



FREQUENTLY ASKED QUESTIONS

Q: Can an SFA decline the funding?

➤ Answer: Yes.

Q: Can an SFA accept partial funding?

➤ Answer: No.



FREQUENTLY ASKED QUESTIONS

Q: Can an SFA remove the SCA funds from the nonprofit school food service account?

- Answer: No. The funds must follow normal NSLP rules plus they must also follow the SCA rules that your SFA attested to when they were accepted.



FREQUENTLY ASKED QUESTIONS

Q: Must the purchased food be local?

- Answer: No. Local purchases are a good way to help overcome some of the national supply chain issues, but local food purchases are not required.



FREQUENTLY ASKED QUESTIONS

Q: Can I use this SCA funding on past invoices that were previously paid using other funding?

- Answer: No. SCA funding cannot be used to pay past expenses and can only be used to pay for current or future expenses starting the date funding is received by the SFA. SCA funding cannot be used to reimburse another source of funding, even if the food cost is allowable.



FREQUENTLY ASKED QUESTIONS

Q: Are breaded chicken tenders minimally processed?

- Answer: No. Breaded chicken tenders do not qualify as minimally processed and cannot be purchased using SCA funds.

Q: Are cheese sticks or shredded cheese minimally processed?

- Answer: Yes. Cheese sticks and shredded cheese are minimally processed and can be purchased using SCA funds.



FREQUENTLY ASKED QUESTIONS

Q: Can my SFA use this funding to pay for labor costs, bonuses, cleaning supplies, services, or other goods or supplies?

➤ Answer: No. These funds can only be used to purchase domestic, minimally or unprocessed food.

Q: Can I use this funding to purchase food for Fresh Fruit and Vegetable Program, Special Milk Program, Summer Food Service Program, Child and Adult Care Food Program, or a milk break?

➤ Answer: No. SCA funding can only be used to support NSLP, SBP, SSO, and NSLP Afterschool Snack.



FREQUENTLY ASKED QUESTIONS

Q: Does an SFA that has a vended meal contract qualify for SCA funds?

- Answer: Possibly, the SFA must attest to experiencing supply chain disruptions. SCA funding can be used to pay for the qualifying minimally processed domestic foods within the per meal rate if proper documentation is collected by the SFA.



FREQUENTLY ASKED QUESTIONS

Q: Does an SFA with a fixed price contract with a Food Service Management Company to operate their SNP qualify?

- Answer: Possibly, the SFA must attest to experiencing supply chain disruptions. SCA funding can be used to pay for the qualifying minimally processed domestic foods within the per meal rate if proper documentation is collected by the SFA.



FREQUENTLY ASKED QUESTIONS

Q: Can an SFA that exceeds their 3-month net cash resource requirement accept these funds?

- Answer: Net cash resources is **not** a consideration for SCA funding eligibility. If the school can attest to supply chain disruptions, the school is eligible to receive the funds.



FREQUENTLY ASKED QUESTIONS

Q: If an SFA exceeds their 3-month net cash resource requirement, can they plan to spend their “normal” funds down in order to accept SCA funds?

- Answer: Yes, as noted in the previous slide the 3-month net cash resource is not a required consideration for the acceptance of SCA funds. Schools can use common, allowable spend down ideas to use up any funds the SFA considers excess.



QUESTIONS?



- Please add questions to the chat.



CONTACT US

- Contact the CANS office with any questions
 - 605-773-3413
 - DOE.SchoolLunch@state.sd.us
- Please complete the evaluation survey