

Community Eligibility Provision

Office of Health and Nutrition

Overview

- Option provides an alternative to household applications for free and reduced price meals in high poverty local educational agencies (LEAs) and schools.
- LEA or schools electing the CEP agree to serve all students lunches and breakfasts at no cost for four successive school years.
- Count total breakfasts and total lunches served to students daily.
- Meal program claims are based on the percentage of identified students multiplied by a factor of 1.6.
- Available Nationwide starting in SY 2014/15.



Who are the Identified Students?

- Identified students are defined as the students certified for free meals not through the submission of individual applications.
- This definition includes students directly certified through SNAP, TANF, Medicaid, and FDPIR participation as well as homeless on the liaison list, Head Start, pre-K Even Start, migrant youth, runaways, and non-applicants approved by local officials. Foster children certified through means other than an application are also included.
- Students who are eligible for free and reduced meals based on the submission of an application are NOT included.



School Eligibility Requirements

- Percentage of identified students must be at 25% or above to be eligible.
- The 25% threshold may be determined school-by-school, by a group of schools within the SFA, or in the aggregate for an entire SFA.
- % of identified students = Number of identified students as of April 1 divided by the Total enrollment as of April 1 X 100
- This percentage multiplied by 1.6 will be the percentage of total meals served reimbursed at the Federal free rate. The remainder will be reimbursed at the Federal paid rate.



CEP Claiming Example

Example:

Identified student % = 50%

Free claiming percentage = 80% (50% X 1.6)

Paid claiming percentage = 20% (100% - 80%)

Total meals = 1,000

Number of free meals = 800 (1,000 X 80%)

Number of paid meals = 200 (1,000 - 800)



School Eligibility Requirements

- SFAs are required to run DC match reports monthly throughout the school year. Students must be identified before April 1st of each year as receiving SNAP, TANF, FDPIR, and Medicaid (free and reduced).
- Homeless, migrant youth, and foster children lists must be matched before April 1st of each year to include in the identified student percentage.



Non-Federal Funding Sources

- Any funds other than Federal reimbursement available to the nonprofit school food service account may be used.
- The non-Federal funds used to cover any excess meal costs through Community Eligibility may not be used to meet other Federal requirements.



Procedures: General

- LEAs must notify the State agency no later than **June 30th** of the school year prior to the first year of electing the CEP.
- A new identified student percentage may be established each year of the four-year cycle to determine the percentage used in the following year.
- Schools may elect to stop the CEP for the next year by notifying the State agency no later than June 30th of the current school year.



Procedures: Annual Percentage Selection

- During the second, third, and fourth years in the Option, the LEA or school may select the higher of the identified student percentage from the year directly prior or the year prior to the first year of receiving benefits.
- Year 1: *Year prior to initial start up Year*
- Year 2: Percentage from April 1st of Year 1 or *Year prior to Year 1*
- Year 3: Percentage from April 1st of Year 2 or *Year prior to Year 1*
- Year 4: Percentage from April 1st of Year 3 or *Year prior to Year 1*



Current Participation

- There are currently 1,156 schools in SC participating in the NSLP.
 - Of those 952 participate in CEP for the 2023-24 school year.
 - Claiming percentages for those schools vary by school and school district
- 13 school districts participate partial in CEP.



Questions



Finance



Use of Funds

- Funds from the nonprofit school foodservice account (NSFSA) cannot be used for expenditures that are not directly related to operation of the USDA school nutrition programs.
- Any positive balance remaining in the NSFSA at the end of the school year must be carried over to the next school year as a beginning balance in the NSFSA.



Allowable and Unallowable Expenses

Table 1. Examples of allowable and unallowable expenses for school nutrition programs ¹	
Allowable expenses ²	Unallowable expenses
<ul style="list-style-type: none"> • Food service staff salary and benefits • Food service staff training • Freight charges for USDA Foods • Supplies and materials for food service consumption • Supplies and materials for food service sale or rental • Utilities and communications (directly billed, such as a separate meter or using an indirect rate or cost allocation plan) • Food service management fees • Furniture and equipment for food service (refer to “Capital Expenditure Requests and Equipment Approvals” in this document) • Computer hardware and software for food service • Vehicles/transportation equipment for food service 	<ul style="list-style-type: none"> • Land • Buildings • General Construction
<p>¹ These expenses are not all-inclusive.</p> <p>² SFAs must ensure that all expenses are necessary, reasonable, and allocable. For more information, refer to page 14 of the USDA’s manual, <i>Indirect Costs: Guidance for State Agencies & School Food Authorities</i>.</p>	



Loans to the NSFSA

- Funds transferred to the NSFSA must be designated as a loan at the time of transfer and include a loan agreement to be considered a loan
 - The conditions for repayment must be documented and agreed to in advance by both parties, the general fund manager, and the school nutrition programs.
- Short-term or multi-year obligations are permissible provided that a bona fide loan agreement exists at the time that funds are made available.
 - Interest payments are not allowable program expenditures.



State Match for the NSLP

- Section 7 CFR 210.17 of the NSLP regulations requires states to appropriate a minimum level of state funds (“state match”) to be paid as reimbursement to SFAs that participate in the NSLP.



SC Required Match

- SC is required to match \$3,484,001.00
 - This amount can change annual but has not changed recently
- This match has historically been met by fringe payments to SFAs
- With fringe payments changed based on the new calculations, OHN is exploring options to make sure we continue to met this USDA requirement



Capital Expenditure Requests and Equipment Approvals

- Section 2 CFR 200.439 requires SFAs to obtain prior approval from SCDE for equipment purchases of \$5,000 or more.
 - Can purchase items from state bids of greater than \$5,000 without SCDE approval.



Questions



Procurement



New OHN Staff

- Daniel Ashley has been hired to be the Procurement specialist for OHN
- He will be doing the procurement audits going forward



Procurement Reminders

- Make sure the SFA and LEA are following the most restrictive guidelines for procurement
 - Local, state, federal
- Make sure the proper staff members are signing contracts and roll overs



Record Retention

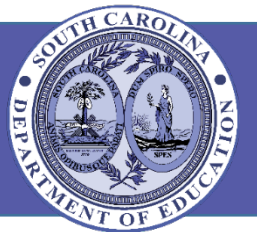
- Make sure to keep records as required by state and federal laws
- Make sure to maintain records for the length of the contract even if that is longer than required by law
- Keep all records together for a contract to make it easier to respond to a procurement audit



Questions



Upcoming Trainings



Procurement and Finance Training

- OHN will be hosting a Procurement and Finance training at SC Archives September 16-17, 2024
- Please encourage all Child Nutrition Directors to attend

