

Q&A for CSFP Operators Using Supply Chain Assistance Funds

Availability of Funding to Alleviate Emergency Supply Chain Disruption in CSFP

1. Can the CSFP Supply Chain Assistance Funds (Commodity Credit Corporation, or CCC, funds) be used to purchase domestic products through a traditional retailer vendor, such as a grocery store or big-box membership store?

Yes. The CCC funds may be used by CSFP state agencies to purchase domestically grown and produced foods for CSFP participants. Provided these and the [other conditions](#) are met, the CSFP state agency may purchase foods where appropriate and in the best interest of CSFP state agencies.

2. Can CCC funds be used to pay for employee salaries associated with the purchase and distribution of CCC foods to CSFP participants?

Salaries are an allowable cost, provided the time being charged against the Commodity Credit Corporation, or CCC, funds is related to the purchase and distribution of CCC Commodity Supplemental Food Program, or CSFP, foods. Only the time worked on the purchase and distribution of the CCC foods can be paid for with CCC funds.

3. Can the CCC funds be used for transportation costs to deliver food to CSFP local agencies? For example, if the CCC purchases are delivered to a separate site, can a local agency use CCC funds to pay for mileage using the local agency delivery vehicle to pick up the food?

Yes. Transportation of the CCC foods is an allowable cost.

4. Can the CCC funds be used for transportation costs related to purchasing domestic products through traditional retailer vendors such as grocery stores or big-box membership stores?

Yes. Transportation of the CCC foods purchased through traditional retailer vendors is an allowable cost.

5. Can equipment, such as a cooler, be purchased to support the storage of the domestically grown and produced food products purchased with CCC?

Yes. Equipment, such as a cooler, is an allowable expense provided it is necessary for the storage and distribution of CCC purchases.

6. Can only CSFP participants receive the food purchased with the CCC funding?

Yes. Only CSFP participants can receive the food purchased with CCC funding.

7. Can the CCC CSFP funds be used to expand caseload?

No. USDA will not be making adjustments to [2024 caseload](#) assignments. The CCC funds are being provided outside of CSFP and therefore cannot be used for CSFP expenses or caseload expansions.

8. Does CCC funding have to be used immediately, or can we wait to see how the national warehouse delays impact future inventory?

State agencies may determine how to best use the CCC funding. State agencies can use the CCC funding to purchase domestically grown and produced food products from Aug. 26, 2024, to Sept. 30, 2025.

9. Why is USDA providing funding through CCC and not through regular CSFP or FDPIR channels, such as regular administrative funding? Why wasn't the CCC funding added to the regular administrative grant?

CSFP and FDPIR administrative funds are appropriated by Congress and using those funds to purchase food is not allowed under authorizing statute. CCC funding is a separate funding source that cannot be combined with appropriated CSFP and FDPIR funding.

10. Is there a cap (either dollar amount or percent amount) that can be used toward the "necessary costs associated with the purchase, distribution and shipping costs" from the total allocation?

There is not a cap, but the costs must be necessary, reasonable and allocable in relation to the purchase of the CCC domestically grown and produced food products.

11. What documentation is necessary to show that food products were "domestically grown or produced"?

CSFP state and local agencies must keep receipts, bills of lading (BOL), letters from vendors or other documents that include food origin information. This documentation is not required to be supplied to USDA unless requested, but it must be maintained in accordance with recordkeeping requirements.

12. Can foods purchased with CCC funds be distributed as CSFP foods, as replacements to CSFP food package items? Can a state agency issue a CSFP food package with only CCC foods?

No. Foods purchased with CCC funds are **not** CSFP foods, but they may be used to fill in any gaps in nutritional needs and may be distributed in the same box as the CSFP food package.

A CSFP food package must contain certain quantities of foods to be considered an issued food package in that month, per the [CSFP food package guide rate](#). If a state agency determines that it is unable to issue a complete CSFP food package (e.g., some CSFP food categories are missing or only partially fulfilled), please contact your [USDA FNS regional office](#) to seek approval to issue an incomplete food package. The CCC foods are not part of the CSFP food package and should not be reported on the CSFP FNS-153 report.

13. Can the domestically grown and produced food products purchased with CCC be placed in the CSFP food package (e.g., food box)?

The CCC domestically grown and produced food products are separate and distinct from the USDA Foods in the CSFP food package. However, these foods may be distributed in the same box as the CSFP food package. Note that these foods should **not** be reported on the CSFP FNS-153 report because they are not USDA Foods or part of the CSFP food package.

14. If we received approval to issue a USDA Foods item retroactively for CSFP but provided CCC food purchases to make up for the missing USDA Foods item, can the USDA Foods item still be provided retroactively the next month?

Yes. The USDA Foods item that was approved for retroactive distribution may still be retroactively provided. The CCC domestically grown and produced food products are separate and distinct from the USDA Foods in the CSFP food package and are not a replacement for USDA Foods.

Note: CSFP state agencies are not required to request a retroactive distribution for missing items. State agencies may determine if it is necessary to request a retroactive distribution if additional supplemental foods, such as those purchased with CCC funds, are also provided to participants. The state agency may alternatively request USDA Food and Nutrition Service, or FNS, approval to distribute incomplete CSFP food packages, knowing that additional supplemental foods, such as CCC foods, may be helping to meet seniors' nutritional needs.

15. My state does not have any current inventory issues. Can I accept the CCC CSFP funds if there are not current inventory issues?

CSFP state agencies not experiencing current inventory issues may accept the funds, which do not expire until Sept. 30, 2025, because the national warehouse response remains a fluid situation. USDA will provide ongoing technical assistance to support CSFP state agencies in using the funds. At the end of the period of performance, unused funds will need to be returned to the USDA.

16. Do the local requirements apply to CCC funds? For example, must foods be produced within the state or within a certain distance of the delivery destination?

No. The CCC funds can be used to purchase domestically grown and produced food products from any domestic vendor or producer. There is no local requirement associated with CCC funds.

17. What procurement rules are state and local agencies required to follow when using the CCC funds?

State agencies must follow the same policies and procedures it uses for procurements from its non-federal funds when procuring services under a federal award, such as CCC funding. The state agency must comply with [2 CFR 200.321](#), [200.322](#), and [200.323](#) and ensure that every purchase order or other contract includes any clauses required by [2 CFR 200.327](#). All other non-federal entities, which includes CSFP local agencies, must follow the procurement standards found in [2 CFR 200.318 through 2 CFR 200.327](#).

Non-federal entities such as CSFP local agencies are responsible for determining and documenting an appropriate micro-purchase threshold based on internal controls, an evaluation of risk, and its documented procurement procedures. The micro-purchase threshold used by the non-federal entity must be authorized or not prohibited under state, local, or tribal laws or regulations. Non-federal entities may establish a threshold higher than the federal threshold established in the Federal Acquisition Regulations (FAR), per [2 CFR 200.320\(a\)\(1\)\(iii\)](#).

Please note, under [2 CFR 200.320\(c\)\(3\)](#), noncompetitive procurement is permitted when a public emergency will not allow for a delay resulting from competitive procurement. The non-federal entity (the state agency or local agency operating CSFP in this instance) may use its own judgment in determining whether this condition has been met. USDA approval is not required. However, the non-federal entity must document its justification for using noncompetitive procurements and must still comply with other procurement requirements in 2 CFR part 200 and other applicable law and ensure that costs are reasonable.

18. Do CCC funds need to be reported in the Food Programs Reporting System (FPRS)?

No. CCC funds do not need to be reported in FPRS. Instead, state agencies will report on the total amount of spent funds at the end of the period of performance using a spreadsheet template to be provided by USDA Food and Nutrition Service. Additional guidance, a closeout memorandum, and instructions on how to return unused funds is also forthcoming.

19. Can CCC funds be used to purchase fresh and frozen fruits and vegetables, or only canned?

Yes. CCC funds can be used to purchase foods in a variety of forms, including fresh, frozen, canned, or dried, as long as the foods are domestically grown and produced.

20. My state intends to pass CCC funds to CSFP local agencies. Are there any monitoring or management evaluation requirements?

State agencies are responsible for ensuring that these funds are used for allowable expenses and for reporting on the total combined funds used at the end of the period of performance.

Additionally, state agencies are responsible for subrecipient monitoring, which includes local agencies receiving CCC funds from the state agency, and ensuring the funds are utilized by subrecipients in accordance with the [Terms and Conditions](#) and in compliance with federal statutes, regulations, per [2 CFR 200.332\(d\)](#). State agencies may elect to establish reporting or monitoring requirements to ensure that the funds are used in accordance with the Aug. 26, 2024, [Terms and Conditions](#). Please note, program regulations at [7 CFR 247.27\(a\)](#), require CSFP state and local agencies maintain a financial management system that complies with federal regulations contained in 2 CFR part 200, subparts D and E, and USDA implementing regulations 2 CFR parts 400 and 415.

Prior to allocating funds to local agencies, state agencies must ensure the conditions under “Allowable Uses” in the [Terms and Conditions](#) are met, which includes a signed attestation between the state agency and the local agency.

21. Do states need to adjust how they usually place monthly multi-food CSFP orders, if they are also planning to purchase foods with CCC funds?

No. States should place CSFP food orders as usual, since the domestically grown and produced foods purchased with CCC funds are separate and distinct from the USDA Foods in the CSFP food package.

22. Can CCC funds be used to reimburse agencies that have already purchased food to support CSFP?

No. CCC funds are available to cover domestically grown and produced food purchases made on or after Aug. 26, 2024.

23. Can another entity, such as a nonprofit organization, conduct procurement to purchase domestically grown and produced foods on behalf of a FDPIR administering agency or CSFP state agency?

Yes. An ITO or state agency may partner with a nonprofit organization to purchase domestically grown and produced foods with CCC funds. The nonprofit organization would be considered a subrecipient and must comply with the conditions outlined in the FDPIR Aug. 12, 2024 [Terms and Conditions](#) or the CSFP Aug. 26, 2024 [Terms and Conditions](#). To award funds to a subrecipient, the ITO/state agency must enter into an agreement, containing at a minimum the following terms:

1. The funds will only be used for the purchase of domestically grown and produced foods;
2. A description of the specific functions that the ITO or state is delegating to another subrecipient; and
3. A statement specifying: (i) That either party may terminate the agreement by written notice to the other; and (ii) The minimum number of days of advance notice that must be given. (The advance notification period must be at least 30 days.)

In partnering with a nonprofit organization to purchase foods with CCC funds, ITOs and state agencies must comply with the requirements for pass-through entities in [2 CFR 200.332](#). For

example, ITOs and state agencies are responsible for subrecipient monitoring and ensuring the funds are utilized by subrecipients in accordance with the Terms and Conditions and in compliance with federal statutes, regulations, per [2 CFR 200.332\(d\)](#). Additionally, ITOs and state agencies are responsible for ensuring purchases made with this funding are properly documented and records are stored for three years.

24. What is the Assistance Listing Number (formerly referred to as the Catalog of Federal Domestic Assistance, or CFDA, Number) for the CSFP CCC Funds?

The Assistance Listing Number is **10.194**, [Commodity Credit Corporation \(CCC\) Funding to Alleviate Emergency Supply Chain Disruption in the Commodity Supplemental Food Program \(CSFP\)](#). The Assistance Listing is administered by the Agricultural Marketing Service. Additional information regarding the Assistance Listing can be found at [SAM.gov](#).

25. Where can I find technical assistance for using CCC funds?

Please contact Dave Tuckwiller, Deputy Administrator for USDA's Agriculture Marketing Service, for direct assistance at David.Tuckwiller@usda.gov. You can also view this recorded [webinar](#) and accompanying [slides](#) for more detailed information on using CCC funds to make purchases.

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