

# Attachment 3: Farm to School State Formula Grant Questions and Answers

## General

### **1. Can food be purchased with these funds?**

Farm to School State Formula Grant funds may not be used to purchase food for consumption in school meal programs. Grant funds may not be used to purchase meals or snacks for training or meeting attendees. Per diem payments for meals while in travel status is allowable.

Funds are intended for technical assistance and the promotion of agricultural education. No more than 10 percent of the grant funds may be used for food purchases, and the use must be clearly delineated in the grant budget. Food purchases should be limited to educational purposes only, such as: farm to school sample tables, taste tests, or promotional use. Food costs related to conducting a test offering of a new local or regional product are also deemed an appropriate use of funds. Any food purchase, as well as any expenditures associated with food purchases, must be clearly identified within the submitted budget narrative.

### **2. Can funding be used for training/conferences/to build networks or coalitions? Can State agencies use funds for planning, implementation, and evaluation?**

Yes, as long as the activities support one or both of the specific objectives of this funding: 1) to build and increase the capacity of participating institutions to procure and use local food in program meals; and 2) to provide agricultural education opportunities for participating children.

### **3. Are food production activities a permissible use of these funds?**

No. Funds are intended to support State activities that increase the capacity for procurement and use of local food in program meals and provide agricultural education opportunities for participating children. Funds may not be used to directly support food production or processing enterprises. States may use the funds to provide training to food producers interested in farm to school, or to participating institutions interested in developing food production (e.g. edible school gardens or farms) projects.

### **4. Are subgrants allowed for local funding with partner agencies or nonprofits?**

National School Lunch Program State agencies are the primary grantees. However, State agencies may provide funds to partner organizations conducting allowable activities through interagency agreements (IAA), memorandum of understanding (MOU), or contracts with other State or local agencies or nonprofits.

**5. Is a State match of funds required?**

No.

**6. What is the source of the funding?**

The funding is provided as part of section 1001 of the American Rescue Plan Act (P.L. 117-2).

**7. Will there be prototype Request for Proposals (RFPs)?**

There is no RFP process. Funds are provided to State Agencies upon submission and approval of a SF-424 Grants Application Package and budget to USDA. A simplified budget template is provided as attachment 1 of the implementation memo.

## Distribution Calculations

**8. Are State agencies required to accept State Formula Grant funds?**

No. State agency are not required to receive funds. Should a State agency decline or otherwise not accept their allocation, their funds will revert to FNS and may become available for reallocation.

**9. Are State agencies permitted to accept less than the full amount of their funding allocation?**

State agencies have discretion to accept less than their full allocation.

## Financial Management

**10. What is the period of performance (i.e., availability) for the funds?**

The period of performance for each grant allocated to State agencies will be four years. This means that State agencies must obligate funds received from FNS no later than September 30, 2026. Each State agency will have 120 days following the period performance end date to close-out their funding.

**11. How will State agencies receive funds from FNS?**

State agencies will complete an FNS-529 *Award Document* with accompanying Terms & Conditions to receive funds. The terms and conditions will outline the performance period, as well as performance and financial reporting requirements. This includes contractual language stipulating the purpose and allowable uses of the funds, as well as the requirements for State agencies described within this guidance document and others that may be published by FNS. State agencies will work with their FNS Regional Office to complete the award process. Please note that the FNS-529 package will be available to State agencies following the release of this guidance.

**12. May funds be used to cover the cost of past (i.e., retroactive) expenditures?**

No. Funds may not be used to cover the cost of past expenditures and may only be used for current/future expenses. This may include new obligations, or bills on prior unpaid obligations that come due following the receipt of funds.

**13. May State agencies use any portion of their funds allocation for administrative expenses?**

Yes.

Accountability, Oversight, and Recordkeeping

**14. Will funds be monitored as part of the school meal programs Administrative Review and/or FNS review processes?**

Yes. Farm to School State Formula funds will be monitored consistent with other school meal program funds through the existing oversight measures used in FNS reviews of State agencies [Management Evaluations (MEs) and/or Financial Management Reviews (FMRs)]. In addition, use of funds may be subject to future external audit activity under any existing/standard auditing practices.

**15. How detailed are the reporting requirements?**

State agencies will be required to submit quarterly SF-425, Financial Status Report entitled, *PAN-CN-ARPA-F2S-FG - CN F2S State Agency Grants* in FNS' Food Program Reporting System (FPRS). Additionally, States will submit an annual FNS- 908, Performance Progress Report, using the narrative portion of the form. The FNS-908 should be submitted via email to the FNS Regional Office in PDF format. Specific reporting requirements, to include program office contacts for the FNS-908 Performance Progress Report will be outlined in the terms and conditions of the FNS-529 award package. This includes the expectations for the narrative progress report on State performance to show achievement of grant goals and objectives as required by 2 CFR 200.301 and 200.329.

**16. Can these funds be combined with other funding or grant sources? (For example, is there a way this can be an “add-on” to State administrative expenses (SAE) funds so that it isn’t a separate process for State agencies?)**

No. These funds must be kept separate to allow for proper tracking and oversight. Congress has provided these funds as part of section 1001 of the American Rescue Plan Act (P.L. 117-2). FNS must provide and report on the funds separately. So, FNS is unable to add these funds to the SAE allocation.

## **Reallocation**

**17. Will FNS reallocate funding?**

Grant funds may be reallocated and made available, subject to availability of federal funds.