



HNS 03-2022

MEMORANDUM

TO: All School Food Authorities and Community Organizations Operating the USDA Foods in Schools Program

FROM: Melissa Conner, Associate Superintendent
Arizona Department of Education, Health and Nutrition Services Division

DATE: April 20, 2022

SUBJECT: USDA Foods in Schools Program Entitlement Rollover and Allowable Use of Entitlement During Summer 2022 Operations

Original Signed

This memorandum provides guidance developed by the Arizona Department of Education (ADE) Health and Nutrition Services (HNS) that explains United States Department of Agriculture (USDA) Foods in Schools Program National School Lunch Program (NSLP) entitlement rollover from School Year 2021-2022 (SY 2021-22) to School Year 2022-2023 (SY 2022-23) and clarifies the allowable use of entitlement and availability of materials when operating during the summer months.

HNS has attached a resource for School Food Authorities (SFAs) and Community Organizations (COs) that clarifies the USDA Foods in Schools program entitlement that is provided during summer meal operations for NSLP, NSLP Seamless Summer Option (SSO), and Summer Food Service Program (SFSP).

USDA Foods in Schools Program

The USDA Foods in Schools program supports domestic nutrition programs and American agricultural producers through purchases of domestic agricultural products for use in schools and institutions approved to operate the NSLP, the Child and Adult Care Food Program (CACFP), and the SFSP. Recipient Agencies (RAs) will be provided entitlements for NSLP, CACFP, and SFSP from the state if approved to operate all three Child Nutrition Programs. Entitlement is available at the start of each program year (July 1 for NSLP, October 1 for CACFP and SFSP). RAs will have access to the different entitlements once the annual application requirements for each of the Child Nutrition Programs and USDA Foods in Schools are complete and approved by HNS.

USDA Foods in Schools entitlement received for NSLP, SFSP, or CACFP may be used across any Child Nutrition Programs including the NSLP, SSO, School Breakfast Program (SBP), Afterschool Care Snack Program (ASCSP), At-Risk Afterschool Meals Program, and the SFSP.

RAs are responsible for ensuring that all food resources are used properly.

USDA Foods in Schools Program NSLP Entitlement Rollover from SY 2021-22 into SY 2022-23

Entitlement funds provided for NSLP in SY 2021-22 expire on June 30, 2022. On July 1, 2022, any unspent SY 2021-22 entitlement in myFOODS and USDA Department of Defense Fresh Fruit and Vegetable Program (USDA DoD Fresh) in FFAVORS will no longer be available. In addition, any SY 2021-22 direct delivery items remaining on a RA’s available materials list will be automatically declined within the myFOODS system and swept into the state’s surplus catalog. All unused processing pounds from SY 2021-22 that have been diverted to a processor will carryover with the RA into SY 2022-23 and thus will not be swept into the state account. All processed end products from SY 2021-22 that are at ADE’s contracted warehouse/distributor (which is currently US Foods) at the end of the school year will be automatically declined within the myFOODS system and moved to the state account. HNS will work directly with RAs that encounter this to replace the auto-declined processed end products back into the available materials list for use in SY 2022-23 or determine another plan if the RA no longer has a need for the processed end products.

SY 2021-22 Entitlement Sweep and Rollover

Entitlement	Swept from RA	Rollover with RA
Unspent entitlement funds in myFOODS	Expire on July 1	
Unspent entitlement funds in FFAVORS	Expire on July 1	
Direct Delivery available materials	Removed from RA and placed onto the surplus catalog on July 1	
Unused processing pounds		Rolls over into SY 2022-23 for RA to access
Processed end products available materials		In SY 2022-23, HNS will work with RA to access auto-declined processed end products

Use of USDA Foods in Schools Program Entitlement During Summer 2022 Operations

The following section provides a breakdown of which entitlement will be available and allowable depending on the summer program operated. Please refer to the attached, *Allowable Use of USDA Foods in Schools Program Entitlement for NSLP and SFSP*, at the end of this memorandum.

Entitlement Provided for the SFSP

USDA provides states with USDA Foods in Schools program entitlement to provide SFAs and

COs approved to operate the SFSP until September 30, 2022. RAs will receive this entitlement as an allocation in FFAVORS that can only be used via the USDA DoD Fresh. The entitlement will be available to RAs once SFSP application requirements and myFOODS activation have been completed. ADE will release a separate memorandum to describe the application requirements for serving meals during summer months.

Entitlement Provided for the NSLP

USDA provides states with USDA Foods in Schools program entitlement to provide SFAs approved to operate the NSLP; this entitlement expires at the end of each program year. SSO is a component of the National School Lunch Program (NSLP) and the lunches claimed through it are included in the formula used when schools' entitlement is calculated for each program year. SFAs operating the SSO should plan to use remaining entitlement that was provided for NSLP in SY 2021-22 for their summer meal operations. SFAs operating the SSO in July will have access to their entitlement for NSLP in SY 2022-23 starting July 1 to use for July SSO operations. HNS will contact all SSO operators with end dates in July to confirm delivery sites.

SFAs approved to operate SFSP will still have access to the entitlement provided for NSLP in SY 2021-22 through June 30, 2022. SFAs may choose to utilize this entitlement past their school year operations and for meals and snacks served during SFSP. SFAs operating SFSP in July will not have access to the entitlement provided for NSLP in SY 2022-23 without completing the NSLP application requirements for SY 2022-23.

Additional Entitlement for the NSLP

USDA Foods and Nutrition Service has allocated additional entitlement to purchase unprocessed or minimally processed domestically grown fresh fruits and vegetables made available through participation in the USDA DoD Fresh from July 1, 2022, through September 30, 2022. These additional funds have been made available through the Commodity Credit Corporation (CCC) and are authorized under the CCC Charter Act [15 U.S.C. 714]. ADE has received approximately \$6.5 million in additional entitlement funds (referred to as CCC funds) to distribute proportionally across SFAs currently participating in the NSLP (including SSO) in SY 2021-22. These CCC funds must be expended between July 1, 2022, and September 30, 2022. SFAs may use these funds for any Child Nutrition Program in operation during the 13-week period.

ADE has allocated the CCC funds to individual SFAs ([see funding allocation by entity](#)) based on a predetermined formula. The allocation includes two components, a base payment of \$1,950.00 and a proportional funding amount based on each SFA's share of statewide student enrollment reflective of October 2021. The base payment has been set at \$1,950.00 to ensure that each SFA receives at least enough funds to meet the minimum order amount of \$150.00 needed to place one order per week in FFAVORS for the duration of the 13-week period that these funds will be available. The proportional funding amount is limited to the remaining CCC funds once the base payment of \$1,950.00 for each SFA has been allocated. SFA and state-wide enrollment is based on the enrollment reported by each SFA on the Verification Summary Report (VSR) for Program Year 2022.

Important Ordering Dates for End of SY 2021-22 and Summer 2022

To allow for required inventory reconciliation at the state's contracted warehouse/distributor (US Foods), the delivery of direct delivery items, surplus catalog items, and processed end products will not be available on certain dates at the end of the school year. RAs should account for these dates to ensure they do not miss out on the opportunity to utilize their remaining SY 2021-22 entitlement for both end of school operations and to plan accordingly for summer operations in May, June, and July.

SFAs can order non-bonus and bonus items off of the surplus catalog during summer operations. ADE made additional surplus items that were reserved for summer 2022 operations available beginning Monday, April 18, 2022. All items on the surplus catalog are available on a first come, first serve basis and requests are subject to approval from ADE. SFAs will use remaining SY 2021-22 entitlement to order from the surplus catalog through June 30, 2022. Surplus items are subject to US Foods warehouse inventory reconciliation; thus, delivery is unavailable for a period during the month of June.

SFAs will use SY 2022-23 entitlement to order from the surplus catalog starting July 1, 2022. The surplus catalog will include the state purchased materials mentioned above as well as items recovered from RAs' available materials list after June 30, 2022.

- April 18, 2022: additional surplus items reserved for summer 2022 operations available
- June 10, 2022: last day of SY 2021-22 that US Foods will deliver a shipment to a RA
- June 11, 2022 - July 4, 2022: US Foods shipments cannot be scheduled for delivery
- July 5, 2022: first day of SY 2022-23 that US Foods will deliver a shipment to a RA

SFAs can order processed end products using their diverted processing pounds during summer operations. SFAs will use remaining pounds from SY 2021-22 to order processed end products through June 30, 2022. SFAs will use any SY 2021-22 carryover pounds as well as be able to use pounds diverted using SY 2022-23 entitlement starting July 1, 2022. SFAs that use a method other than the state's contracted warehouse/distributor (US Foods) for delivery of their processed end products are able to continue doing so without disruption during their summer operations. Processed end products that are delivered by the state's contracted warehouse/distributor (US Foods) are subject to US Foods warehouse inventory reconciliation; thus, delivery is unavailable for a period during the month of June.

- May 20, 2022: last day of SY 2021-22 that US Foods will receive a processing load
- June 10, 2022: last day of SY 2021-22 that US Foods will deliver a shipment to a RA
- June 11, 2022 - July 4, 2022: US Foods shipments cannot be scheduled for delivery
- July 5, 2022: first day of SY 2022-23 that US Foods will deliver a shipment to a RA

SFAs can schedule fresh produce for delivery by Stern Produce in FFAVORS using entitlement provided for NSLP and set aside for the USDA DoD Fresh without disruption until the funds expire on June 30, 2022. SFAs and COs operating SFSP may begin placing orders in FFAVORS utilizing entitlement provided for SFSP beginning the week of May 16, 2022, for deliveries the week of May 23, 2022. SFAs operating SSO may begin placing orders in FFAVORS utilizing the CCC funds the week of June 27, 2022, for deliveries the week of July 4, 2022. ADE recommends SFAs utilize all entitlement provided for SFSP prior to placing orders with CCC entitlement.

- May 16, 2022: First day to schedule a delivery using SFSP entitlement in FFAVORS
- May 23, 2022: First week for RA to receive a delivery using SFSP entitlement
- June 27, 2022: First day to schedule a delivery using CCC funds in FFAVORS
- July 4, 2022: First week for SFAs to receive a delivery using CCC funds

myFOODS and FFAVORS Accounts

An account in FFAVORS is required to utilize entitlement funds for USDA DoD Fresh Fruit and Vegetable Program. RAs that do not currently have a FFAVORS account, yet would like to utilize the CCC, NSLP, or SFSP funds, must contact ADE to activate an account by emailing ContactHNS@azed.gov.

An account in myFOODS is required for SFAs to receive items off the surplus catalog for summer operations (now through June 10, and again starting July 5). SFAs that do not currently have a myFOODS account, yet would like to utilize the surplus catalog, must contact ADE to activate an account by emailing ContactHNS@azed.gov.

At the time of request, ADE will provide additional instructions to establish user access permissions. Please allow up to 4 weeks to activate a new account and establish user permissions in FFAVORS and/or myFOODS.

If you need any assistance or have questions, please contact your assigned Health and Nutrition Services Specialist or send an email to ContactHNS@azed.gov.

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, sex, disability, age, or reprisal or retaliation for prior civil rights activity in any program or activity conducted or funded by USDA.

Persons with disabilities who require alternative means of communication for program information (e.g. Braille, large print, audiotope, American Sign Language, etc.), should contact the Agency (State or local) where they applied for benefits. Individuals who are deaf, hard of hearing or have speech disabilities may contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program complaint of discrimination, complete the [USDA Program Discrimination Complaint Form](#), (AD-3027) found online at: [How to File a Complaint](#), and at any USDA office, or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by:

- 1) mail: *U.S. Department of Agriculture
Office of the Assistant Secretary for Civil Rights
1400 Independence Avenue, SW
Washington, D.C. 20250-9410;*
- 2) fax: *(202) 690-7442; or*
- 3) email: program.intake@usda.gov.

This institution is an equal opportunity provider.

Allowable Use of the USDA Foods in Schools Program Entitlement for NSLP and SFSP

